

Gallivantin' Ghosts

Cripple Creek, You Bet, Other Old Mine Towns Bounce Back as Resorts

Red Rooster Crows Again; Land, House Prices Spurt; Antique Dealers Thrive

Scorched Toast & 2 Orphans

BY JACK R. HANICKE
Staff Reporter of THE WALL STREET JOURNAL
CRIPPLE CREEK, Colo.—The Old Homestead, where men made rich by gold once dined in luxury and dallied in privacy, is back in business—but only the ghosts of its hawdy past remain.

Not far away, on Bennett Avenue, the Red Rooster Bar with its gaudy paintings of Victorian beauties is roaring once more. And the Millie Kathleen gold mine nearby is producing again.

It's a strike! Not of yellow ore, for which this town is justly famous, but one that may turn out to be an even richer lode—the tourist's traveler's check, and the vacationer's dollar.

Ghost Towns: Past & Future

Cripple Creek, like many another mining town in the Old West, is rapidly transforming from ghost town with a past to resort town with a future. The Old Homestead is now a quite respectable tourist home; fun-bent vacationists are sowing at the Red Rooster where grimy miners once guzzled; and Troy Wade, operator of the Millie Kathleen, finds it more profitable these days to conduct tourists through the mine than to search there for gold.

"Property values here have tripled in the past three years," exclaims Mr. Wade. Mrs. Ida Norden, a real estate agent, reports she alone has sold 120 homes here in the past two years—homes built and used back at the turn of the century when Cripple Creek proudly proclaimed itself the "richest gold mining town in the world." Many of the places are bargain-priced; a six-room, Victorian style house with "modern" plumbing (meaning a pull-chain commode, a galvanized iron sink and a septic tank) is offered at \$1,000. Since 1952, eager buyers have snapped up over \$500,000 in residential parcels.

The property binge is not confined to Cripple Creek; in recent years it has been evident in even the smallest and most remote Colorado communities such as Tincup, Crested Butte, and Lake City. And once roisterous but long-slumbering Blackhawk, Central City and Idaho Springs, towns along the main highways near Denver, have been booming again even longer. Elsewhere, too, deserted mining settlements are reawakening. In California, such towns as You Bet, Uncle Tom's Cabin, Poverty Hill and Brandy City in the Mother Lode country of the north are back on the map as a result of the summer trade. So are many small Maine towns hard by abandoned granite quarries in the Pine Tree State.

Search for Solitude

What's the great attraction? The search for summer solitude is one obvious explanation; most of the home buyers turn their new properties (at no little expense) into vacationtime havens. And, undeniably, there's a certain charm and fascination about old towns and old homes with a colorful past. Not to be overlooked, either, are the going prices in the ghost town market.

"The low purchase price of homes," notes Mrs. Norden, "isn't much more than vacationers would be paying for summer tourist hotel rates."

Whatever the explanation, though, it's crystal clear great changes are taking place in the most out-of-the-way places. Stop by here for a spell in Cripple Creek, where fact and fancy are inextricably mixed and local lore is as picturesque as the land itself.

Cripple Creek (permanent population 853, summer influx, 3,000) huddles in a small valley on the west slope of Pikes Peak. Towering east of the town is the snow-dusted peak; to the south rise the ranges of the gigantic Sangre de Cristos, backbone of the Rockies; on the west is the Continental Divide. As you drive over Tenderfoot Pass on a highway built on part of the roadbed and through a tunnel of the old ore-hauling Midland Terminal Railroad, Cripple Creek and its pink, red and blue buildings suddenly appear in the green valley, nearly 1,000 feet below.

Grass-Covered Foundations

As the highway dips into the valley, it passes the Gold King Mine, site of the original gold discovery hereabouts back in 1878, and dozens of other mines. The hills are pockmarked with abandoned diggings. In Cripple Creek itself, gravel streets run past occasional houses and by hundreds of building foundations covered with grass.

Interestingly, Cripple Creek got its name, legend says, from a series of accidents that befell the first settlers, Levi Welty and his sons. As the story goes, one son accidentally axed his foot, another fell off a roof, a horse fell on the hired hand, and Levi shot himself in the hand—all within a week or so back in 1871.

First gold was found in Poverty Gulch in 1878 by Bob Womack, usually described as a "friendly, liquor-loving cowboy." But nobody believed him, the tale runs, and it wasn't until 1880, after he had taken samples to Colorado Springs to get them assayed, that the rush began. At one time, during those frantic years, 475 mines in a four-by-six mile area were shipping out gold. World War I forced many mines to close because of labor shortages; steadily rising costs of digging out the gold and the end of free trading in gold in 1933 staggered the industry here. The final blow came in World War II when the Government, in an effort to divert the miners to production of more needed lead and zinc, closed the mines—though some still contained gold.

Just six years ago, Carlton Mill, a reducing plant, moved to Cripple Creek from Colorado Springs and now grinds out better than \$1 million worth of gold from Cripple Creek ore each year. It's estimated that since 1951, figuring the price of gold at \$35 an ounce, \$800 million

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What's News—

Business and Finance

TRANSPORTATION COST increases pose knotty problems for manufacturing firms. They are casting about for ways to ease the impact of higher freight rates the railroads will start charging August 26. And the search for alternate channels of shipment is complicated by prospects that trucking lines may raise their rates, too.

Manufacturers of items in toughly competitive fields figure they can't pass along much, if any, of the higher costs. Some concerns feel the consumer price effects of transportation rate boosts may be delayed until fall or next year. An example is the auto industry. Trade sources say the higher freight tariffs will boost retail prices—but not while dealers are getting rid of 1957 models.

Stocks extended their recent declines on selling ascribed in brokerage circles to rising money rates and uncertainties in the business outlook. Dow-Jones industrials dropped to 485.93, off 6.21 points, or 1.26%. Rails receded 2.14 points, or 1.48%, to 142.18. Volume picked up sharply in the last half hour when pressure on pivotal issues became severe. The day's turnover mounted to 2,040,000 shares, from 1,580,000 Tuesday.

Chairman Martin of the Federal Reserve Board told Congress inflationary pressures are creating "imbalances that ultimately will lead to serious deflation" unless adjustments can be made in time. Mr. Martin was on the stand for the second day in the Senate Finance Committee's probe of Government economic policies.

Bankers' acceptance dealers raised their rates for the third time in a week. Another $\frac{1}{4}$ point increase brought the total mark-up in that period to $\frac{3}{4}$ point. Successive boosts reflect efforts to find investors for a swelling volume of acceptances, created mainly to finance cotton movements.

The House passed and sent to the President a bill to curtail, as of August 22, the defense production program permitting rapid amortization for tax purposes. The bill would end the program completely on December 31, 1959. Defense Mobilizer Gray is understood to have asked the Senate Finance Committee for permission to grant fast write-offs before August 22 to Pacific Trailer Ships, Inc., for two roll-on-roll-off vessels.

Columbia Gas System disclosed it has terminated negotiations with Commercial Solvents Corp. looking toward joint petrochemical production. The project was expected to cost \$40 million to \$50 million, with a plant in the Ohio Valley. Columbia said it is building its own plants to extract petrochemicals from gas.

United Whelan Corp. and Sun Ray Drug Co. have given up the idea of combining the two companies into the nation's third-biggest drug chain. Charles Green, United's chairman, said the proposal has been dropped because of "divergent thoughts on operating policies."

Vulcan Materials Co. directors approved the acquisition of Chicago-headquartered Union Chemical & Materials Corp. through an exchange of stock. Vulcan's board also voted to acquire a number of companies engaged in producing sand, gravel, concrete and related products in the South.

Company Notes—
American Ship Building Co.—Notified stockholders it expects to take a substantial loss on a partially completed contract to build two Navy LST's of a new type.

Boeing Airplane Co.—Booked a \$139.3 million Air Force contract for quantity production of Bomarc anti-aircraft missiles.

Du Pont Co.—Will cut prices 10%, effective September 16, on Zytel nylon resins, used to make combs, brushes, and many mechanical items.

Eastern Airlines—President Eisenhower approved a Civil Aeronautics Board decision giving Eastern permission to offer non-stop service between New York City and Mexico City. A competing bid for the route by Pan American World Airways was rejected by the C.A.B.

Markets—
Stocks—Volume 2,040,000 shares. Dow-Jones industrials 485.93, off 1.26%; rails 142.18, off 1.48%; utilities 68.34, off 0.81%. **London**—Financial Times common share index 200.4, off 0.3.

Bonds—Volume \$3,770,000. Dow-Jones 40 bonds 85.53, off 0.07; high grade rails 86.25, off 0.08; speculative rails 83.38, off 0.16; utilities 83.86, up 0.03; industrials 84.65, off 0.08.

Commodities—Dow-Jones futures index 159.40, up 0.05; spot index 162.76, up 0.11.

Earnings—

Year 1956: — Net Income — Per Com. Shr.

1957: — Net Income — Per Com. Shr.

(Today's Index on Page 2)

World-Wide

EISENHOWER MAY CALL a special session if Congress cuts foreign aid funds further. The President told a special news conference he was making no threats but would order Congress back if world events convince him the money is inadequate.

His statement came after he signed a \$3,367,083,000 foreign aid bill which the House passed earlier in the day. The Senate approved the compromise measure, trimmed \$500 million from his original request, Tuesday night.

But three hours later, a House Appropriations subcommittee, acting on a separate bill to provide the actual cash for the program, slashed an additional \$810 million from the funds.

THE U. S. OUSTED Syria's ambassador and a second secretary in Washington. The State Department also said U. S. Ambassador James S. Moore, Jr., who is in Washington, "is not returning to Syria." In addition, the U. S. made a strong protest against "a government-inspired slanderous campaign" in which Syria accused this nation of conspiring to overthrow Syrian President Kuwail.

American expulsion of the Syrians— Ambassador Farid Zeineddine and Yassin Zakaria—was in Frank retaliation for Syrian ouster of three American diplomats in Damascus. It does not mean a break in U. S.-Syrian relations, but it reduced them to a new low point.

A GROUP OF 41 AMERICANS left for Red China despite stiff U. S. warnings not to go. All but one of the youths left aboard a trans-Siberian express train which will travel six days in Soviet territory before crossing into China. Two others said they may make the trip by plane. A crowd of 1,000 Russians gathered at the rail station for the departure of the youths who attended the World Youth Festival in Moscow.

Some of the Americans smarted from the State Department warning they would be aiding Communist propaganda by making the trip. Others acted defiantly, claiming it was their right as Americans to travel wherever they like.

SENATORS WERE TOLD a fired New York legislative labor aide took a 1949 bribe. But Marshall M. Miller told the McClellan committee: "I did not receive it." The statements came from David Schraga, head of the Scharo Manufacturing Co., of New York, and Arthur G. McDowell of the Upholsterers Union.

Schraga's affidavit said Miller demanded \$500 for a labor contract. The manufacturer added he refused the deal but paid Miller \$200 and reported the matter to the Upholsterers Union, for whom Miller served as administrative assistant and organizer. McDowell said the union fired Miller as a result.

In earlier testimony, a Brooklyn carpenter and clerk said they were made temporary officials of Teamsters Local 269 by a purported aide of hoodlum Johnny Dio so they could help elect John O'Rourke as head of the New York City Teamsters Council. O'Rourke has been identified as a pal of Teamsters Vice President James Hoffa. A third witness, a truck driver, said he was drunk in a bar when he was asked to vote for O'Rourke. He died.

In Chicago, the A.F.L.-C.I.O. Executive Council accused the Administration of "blundering dangerously" in the face of what it called a crisis caused by falling production and rising prices. Its statement also charged the "light money-high interest rate policy" is squeezing both business and consumption demand, undermining "the already-waning boom."

Chairman Smith (D., Va.) of the House Rules Committee said he is "inclined to pursue any course which might result in no bill" on civil rights. His statement came as rival moves were made to get the issue out for a House vote. A Democratic resolution calls on the House to accept the Senate measure but with its jury trial proviso limited to voting rights cases. A G.O.P. move would send the bill to a House-Senate conference in the hope of knocking out this amendment completely.

The State Department charged Soviet Communist chief Khrushchev with "crude attempts" to influence the outcome of West German elections. Khrushchev had accused the West and West German Chancellor Adenauer, who is seeking reelection, of preparing for war. The State Department suggested his remarks, however, may backfire. Khrushchev returned to Moscow yesterday and said he was "very satisfied" with his East German tour.

Poland rejected the demands of 10,000 transport workers for higher pay and crushed their streetcar strike with clubs. Militiamen and police took over car barns where the strikers had barricaded themselves since Monday. Transport men said 40 workers were arrested in fights with Communist police.

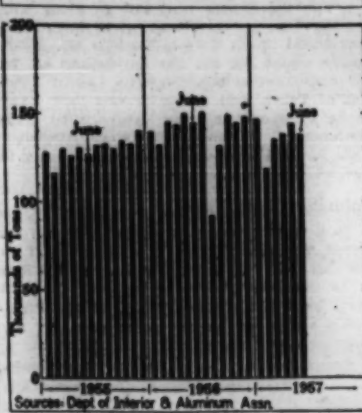
Communist Dr. Cheddi Jagan and his People's Progressive Party apparently won nine of the 14 elective legislative seats in British Guiana elections. But British Gov. Renshaw has authority to block Communist control by appointing enough legislative members to offset Jagan's expected majority.

A Long Island strike of 3,500 building construction laborers, idling 5,000 other workers, may be short-lived. The strikers, who left their jobs Monday ostensibly over a jurisdictional issue, were reported ready to return as soon as their international union ordered them to; Washington labor officials said this would be soon.

The Navy will drop 18,000 civilians from its payroll, the majority of them by October 1, to hold spending within the \$10.4 billion ceiling set by the Pentagon. The Navy said this will amount to 4.6% of its work force of 389,717.

Ex-Treasury Secretary Humphrey was named board chairman of National Steel Corp., which he helped organize in 1927. He succeeds the late Ernest T. Weir.

Aluminum Output Off



PRODUCTION of aluminum from primary sources totaled 138,657 tons during June. This was off from the 144,780 tons produced during May and the 145,726 ton output of June last year. June was the fifth consecutive month to fall below the comparable month of last year.

Uncle Sam Ponders Ban as More Geese Fall for Hi-Fi Cry

Officials Also Propose Law To Curb Aerial Hunts for Polar Bears and Walrus

By JAMES A. REYNOLDS

WASHINGTON—Uncle Sam's wildlife protectors are casting a baleful eye at hunters who use hi-fi sets while gunning for the essentially giddy goose.

It's not that hunters suddenly have developed an ear for music while sitting in the blind; officials wouldn't care much one way or another about that. The worry, at least in the Interior Department's Fish and Wildlife Service, is the sudden popularity—and startling effectiveness—of hi-fi geese and duck calls. These calls are reproduced by tape recorders or record players, amplified and beamed across hunting grounds by powerful directional speakers. The birds come flocking to their doom.

"Geese and ducks aren't really intelligent birds; they can't resist the siren call of these new devices," asserts Charles H. Lawrence, a top F.W.S. official. The real puller seems to be a recording of the babble geese and ducks make while feeding; other birds, either hungry or eager to get in on the cackling, flock in from miles around.

Victims of Technology
Actually, the F.W.S. plans to crack down on hunters of more than ducks and geese. Walrus and polar bears also are becoming victims of technology and they, like ducks and geese, are watched over by the Federal Government.

It's the recorded bird calls, though, that are getting the most immediate attention. Federal officials, who set the shooting rules for such migratory birds as ducks and geese, have all but decided to ban such gadgets, just as back in 1935 they put a stop to the use of live decoys for similar reasons. The ban is expected to go on the books before Labor Day, well in advance of the October 1 opening of the waterfowl hunting season.

There is no doubt that the recorded bird calls give a hunter a deadly advantage. In one East Coast spot last fall, says Mr. Lawrence, five hunters using an electronic bird call shot their limit in 90 minutes; twice within that period as many as 2,000 geese hovered over their blind. A similar device at another hunting spot helped bring down 1,285 geese last season. And F.W.S. officials even report a case of a recording being used to lure Canada geese out of a Federal bird refuge to hunters in a blind 500 yards away.

A survey in one Eastern state last year indicated a kill of 100,000 geese, a substantial increase over previous years. The increase, according to state and Federal folk, was largely the result of electronic bird-calls. "The effectiveness of this type of call is so great that extended use of it could threaten the preservation of the species," asserts Ross L. Lettler, assistant interior secretary.

A typical outfit for producing recorded bird calls is made by Electronic Engineering Co. of Easton, Md., and distributed by Animal Trap Co. of Litzitz, Pa. This transistor-equipped device needs no warm-up and weighs only 15½ pounds. It costs around \$175.

Many states and most conservation agencies have urged the Government to ban the new bird calls. Canada outlawed them last month. When and if a U. S. ban goes into effect, it will apply only to the use of recordings to attract game birds—geese, ducks, turkey and the like. Varmit hunters can continue to use recordings of rabbits in distress to lure coyotes and other predators into gun range. (Contrary to popular belief, rabbits do make sounds audible mostly to other rabbits and sharp-eared hunters like the coyote.)

The new Federal rules also will not affect the growing use of electronic fish-calling devices, since the states rather than the F.W.S. have jurisdiction over inland fishing streams. Thus, barring any state curbs, a firm such as Birchcraft, Inc., of Milwaukee can continue to promote its \$9.95 Krazy Fish Caller. This gadget is supposed to produce a buzzing insect sound that's "an irresistible dinner bell to fish."

Taking to the Air

F.W.S. officials agree they need, and will seek, new power to protect the walrus and polar bear from new hunting technology.

"The Eskimo used to hunt walrus with a harpoon and a sailboat," says Clarence Rhode, an F.W.S. official stationed in Juneau, Alaska. "But now he carries a high-powered rifle with telescopic sights and travels by motor boat." Mr. Rhode, himself a bush pilot, also reports that walrus and polar bear hunters are

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Business Bulletin

A Special Background Report On Trends in Industry and Finance

SOUTHWEST WORRIES about its shift from a farm to an industrial economy.

The trend is plain. Only 13% of Texans, for example, are employed in agriculture against 40% in 1930. But fast growing industries, such as oil and petrochemicals, employ few hands. Goodyear Tire & Rubber Co., for instance, boosted capacity for its Houston synthetic rubber plant by 50%; yet employment increased only 150 to 750. Defense plants are the biggest employers. Chance Vought (with 18,000 employees), Temco Aircraft (with 11,000), Convair (25,500) are the backbone of Dallas-Fort Worth. Hughes Aircraft is Tucson's biggest employer. Uncle Sam's projects, mostly atomic and missile work, provide a fifth of New Mexico's non-farm income. Many economists think such dependence on unpredictable defense spending is the Southwest's biggest potential trouble spot.

No area has such social, economic extremes. Cotton, cattle, oil millionaires fly \$250,000 personal planes with folding bars. One has a miniature oil derrick spewing water in a \$30,000 patio-fountain-swimming pool at his \$150,000 home. Contrast: Dallas just passed a no-begging ordinance. Factory wages range from New Mexico's \$89.25 weekly average to Arkansas' \$57.17, third lowest in the U. S.

Tall Texans? Lone Star men, averaging 5 feet 8.3 inches, ranked 23rd among the states in an army sampling of 15,000 native white recruits.

SOUTHWEST ABUNDANCE in oddities such as covered, air-conditioned sidewalks.

They're a feature of a new \$125 million Dallas commercial center now a-building. Drive-in grocery: Houston housewives, baskets attached to their cars, drive through wide lanes in a new supermarket. Walking attendants fill baskets with items ordered.

Drive-ins spread to banking, weddings. A Texas bank will lure auto patrons with pretty hostesses on roller skates. In Lovelady, Tex., a service station operator doubles as justice of the peace, marries couples as they sit in their cars.

From radio stations south of the border, parsons broadcast prayers for listeners who send \$5. S-h-h: A steakhouse in Fort Worth, the Southwest's "Cow Town," buys its steaks in Chicago. Reason: Cuts from grain-fed steers are tastier than those from grass-fed cattle.

CHEAP LABOR, subsidized air conditioning are used to lure industry.

Lovelady, Colo., (pop. 9,500) promises any new industry it can supply 1,000 workers. Wages are low (\$1 to \$1.25 an hour) in rural towns; unionization is largely limited to big cities.

Tempe, Okla., residents chipped in \$50,000 to air-condition and remodel a plant to be used by Temple Manufacturing Co., maker of men's dress slacks. Arkadelphia, Ark., buys \$200,000 of first mortgage bonds (insurance companies took \$800,000) to help finance a \$1 million plant to be leased to Tectum Corp., producer of building materials. With such lures, new furniture, clothing, metal-working plants are being set up. Some 35% of the Southwest's consumer goods still come from other sections.

Galveston, Tex., hires a public relations firm (at a \$50,000 annual fee) to tell industry that it's cleaned up once-notorious vice conditions.

INDIANS PROSPER as new oil discoveries boost income from their land. Oklahoma's 6,000 Osage—they reaped fortunes in the oil boom of the 1920's—received \$20 million last year, highest in 30 years. The Navajos in New Mexico and Arizona have done even better.

CONTROLLED ECONOMY: West Texas grows cotton at a cost of 23 cents a pound. But east Texas, where the cost is much higher (31 cents a pound), still produces a fourth of the state's crop. Reason: Government price props encourage the little grower to hang on despite higher production costs.

SOUTHWEST POPULATION gains are spotty. Big Texas, with 9.2 million inhabitants, is up 43% since 1940, more than the U. S. population growth rate of 28%. Arizona chalks up a 119% gain. But Arkansas and Oklahoma are about where they were in 1940.

LIQUOR FACTS: Texas prohibition on whisky at bars spurs building of country clubs, some as part of new housing developments, where hard drinks can be served.

RAINS BRING almost more problems than cheer.

Actually, experts say it will take three years of rains to undo damage of seven years of drought. Many farmers reeling from the drought have been beaten down by new losses from floods. Ranchers who restocked their ranges after the spring downpours are forced to buy feed for livestock as grassland withers under sizzling summer sun.

Other rain effects: Texas League baseball teams, with 60 games rained out, face serious financial problems. Sales of bottled water (a big business) plummet; one dealer reports business 75% below last year. Lawnmower sales jump. Sales of outboard motors and trailer hitchers soar. There's boating on formerly dry inland lakes.

A Dallas home-builder plans three-slot garages—the third for boats.

BRIEFS: Texas' human population surpassed that of its cattle last year for the first time. . . . Denver, with its expanding Rocky Mountain oil fields, and New Orleans, with its big offshore potential, set their sights on the title of "Oil Capital of the World," now claimed by Tulsa. . . . More than half the U. S.-made private planes are Wichita, Kan., products. . . . Texans pay more for intrastate than some interstate phone calls: Dallas to Chicago costs \$2.10; Dallas to El Paso, \$2.40. . . . A Dallas luxury apartment house now a-building will include car washes in the rental, provide powder rooms for tenants' maids. . . . Dallas' Neiman-Marcus helps customers get tickets to Broadway shows. . . . Baylor University built an 80-seat, air conditioned section in its stadium.

Brain Boom

Sales, Rentals Soar as Clever Computers Grab More Business Tasks

How Inland Steel Shrinks 50 Days to Eight Hours, Abbott Speeds Deliveries

But Tough Problems Persist

By LOUIS M. KOHLMEIER

CHICAGO—An electronic hum, a clackety-clack of robot typewriters, a few red lights blinking—and Sears, Roebuck workers pick up their pay checks every week.

The hum-clack-blink routine is a giant electronic computer grinding out weekly a massive payroll that Sears couldn't complete in less than two weeks back in the old pre-computer days, even using a small army of clerks. It goes without saying that the more frequently paid Sears folk greatly admire the work of the electronic brain they seldom see.

The whole computer world, in fact, is basking in general satisfaction, almost to the point of smugness. Computer users, including retail stores, steel mills, drug manufacturers and insurance companies, are saving time and money by feeding an increasing variety of chores to the machines. And computer makers can hardly keep up with demand for their brainy products; the value of computers sold or rented may hit \$550 million this year, nearly four times last year's \$94 million-figure and all but out of sight of the \$47 million 1955 total.

Room-Size Brains

Electronic computers have had a remarkably brief commercial history. Remington Rand, now a division of Sperry Rand Corp., was the first major manufacturer to put a business-type computer on the market. Among the earliest customers was the Census Bureau, which bought a Univac in 1950 to help keep track of the nation's population. Four years later came the first industrial installation, at General Electric's Louisville, Ky., appliance plant.

But last year, only two years after G.E. pioneered the trail, manufacturers shipped around 1,200 stored-program computers. The shipments don't go into carrying-size parcels, either. Many computers now in use fill a floor sized room, 2,000 or so square feet of floor space. They look much like a group of upright gray boxes. One box is the central computer, containing the brain's electronic innards. Another houses the electric power equipment and the rest are the so-called peripheral machines, such as robot printers that pound out information faster than the human eye can read it.

Computers differ from earlier data processing machines, such as punched card gadgets, mainly in their extremely high operating speeds and their ability to store vast quantities of information. The mark of the computer is its memory—a magnetic core, drum or disc the machine calls upon to solve new problems fed into it.

Operators Hard to Hire

All of this is not to say the computer world is entirely blissful. For one thing, there's the matter of language. Smart as computers are, they respond only to such languages as alphanumeric. This is a language designed especially for computers in which information and directions are reduced to a mixture of alphabetical and numerical symbols. It's no small task to find persons who can analyze a business problem and then translate it into something that makes sense to the computer.

And much of the time computers in commercial use just stand around doing nothing, or working well below their productive capacity. This, needless to say, is expensive, considering that one of the units may cost \$1 million or rent for \$50,000 a month. Inland Steel Co. got a computer in 1954, not long after G.E. but still isn't utilizing it fully. In the computer jargon of Inland controller O. R. Egan, "We're not completely programmed yet."

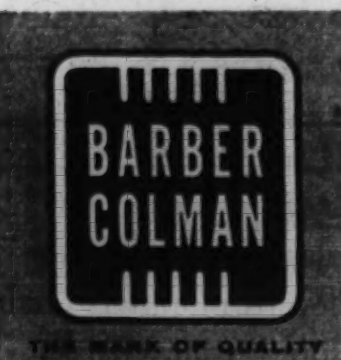
And though computers are fantastically accurate, when they make a mistake it's a howler.

Just last week the Long Island Lighting Co., still gloating over its new electronic computing equipment, sent a householder a routine monthly bill—for \$1,266.80. The householder, one Raymond Carr, didn't think he'd been that careless about leaving the lights burning and complained. Long Island Lighting reckoned, evidently using a slow but trusty pencil, and sent Mr. Carr another bill, for \$11.83.

Underestimating the Need

Despite such problems and occasional miscalculations, computer manufacturers generally whip on their rose colored glasses when they look at the future. This is partly due to a miscalculation of their own about the present computer market.

International Business Machines Corp., which doesn't much care whether its famed Think admonition is carried through by human or electronic brains, notes that it has installed a "considerably greater" number of computers than it originally expected. Though chary with numbers, an I.B.M. official admits that its market



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The 8.8 acre tract has 634 feet fronting on Michigan Street. Trunk sewers, major water mains serve the property.

As a wartime housing development, the property was known as the "Michigan Street Dormitories." All buildings have been removed except a group of 1-story connected service unit buildings on Michigan Street.

The property has been designated under the city's new zoning code as "industrial general" which permits its use for most industrial purposes.

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AUCTION: Tuesday, October 1, 2 p.m., Olympic Hotel, Seattle

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Eisenhower Warns He May Call a Special Session Of Congress If There Are Further Foreign Aid Cuts

But House Unit Votes to Trim Another \$810 Million From The Program

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — President Eisenhower threatened to call a special session of Congress this fall if it cuts foreign aid much further, and just three hours later, a House Appropriations subcommittee voted to lop another \$810 million from the program.

The President gave his views at an extraordinary meeting with newsmen after signing the bill authorizing the foreign aid program for the current fiscal year and setting a ceiling of a little less than \$3.4 billion on funds which may be actually provided in appropriations. (A transcript of the news conference is on page 7.)

The authorization bill, sent to the White House earlier in the day, allows a top appropriation of some \$500 million less than the Administration originally requested. Mr. Eisenhower declared the effect of the authorization cut "will be serious," and announced he was asking exactly the authorized limit in appropriations.

If that amount is provided, he said, "we can hope that we will do well enough so that the calling of the Congress in extraordinary session will not be necessary."

World Conditions Have Effect

Asked if he meant he would positively call the lawmakers back if they don't pass the entire appropriation, the President replied world conditions would also have to be taken into consideration.

"I am going to watch every single day what is developing in the world," he said, "and whenever for lack of money the United States' interests become placed in real jeopardy, at that moment I would have no recourse except to call a special session."

But the House subcommittee, taking its cue from top Congressional leaders, immediately went into closed session on the money bill and approved the \$810 million slash.

This action will go before the full Appropriations Committee this morning, and the House is expected to make up the measure this afternoon. Indications were that the cut would be sustained. Speaker Rayburn had commented earlier that the President would get "all the money he needs (but) it might not be as much as he and some of his advisers want."

The appropriations subcommittee acted on an Administration request for \$3.4 billion of new funds—as provided in the just-signed authorization bill—and authority to use this year another \$615 million of previously-voted funds which otherwise would have to be returned to the Treasury. The panel cut the \$3.4 billion request by \$862 million, but gave the Administration the right to use an extra \$32 million on top of the \$615 million of left-over funds. This made a net cut of \$810 million.

making a total of \$3.2 billion of new and revived funds available for this fiscal year.

The 25% cut from the authorization bill's level would bring the actual money the panel recommends to some \$1.3 billion below the original budget request for \$4.4 billion for the aid program.

While the Senate may not go along with the big reduction the House subcommittee recommended, there were indications Mr. Eisenhower would not get the full ceiling set by the authorization bill. Majority Leader Johnson of Texas said last night he was "not going to be stampeded by any hastily-called press conference." Congress will appropriate whatever funds it sees fit, he added, declining to predict what that sum would be.

Johnson Gives Views

In a Senate floor speech, Mr. Johnson asserted he doubted if any lawmaker would allow his vote on foreign aid appropriations to be influenced "by fear he would have to come back in November." He said the President's statement "is not going to affect my judgement on a single bit."

The Democratic chief assailed the Administration for its handling of foreign aid legislation, asserting it had failed thus far to present "the evidence" to back up its requests.

Speaker Rayburn obviously did not take very seriously the possibility of a special session.

Nor did some key House Republicans commenting off the record. They said that if Congress voted a certain amount of funds now for foreign aid it was extremely unlikely it would vote any more later.

Senate Republican Knowland of California noted the President had not committed himself to calling a special session, but had conditioned such action on world conditions as well as the amount of funds provided.

From deputy G.O.P. leader Dirksen of Illinois came the comment: "I've always been prepared to give the President adequate funds but this time it's going to be tough and go in that (appropriations) committee. It will be tough going."

Chairman Hayden (D., Ariz.) of the Senate Appropriations Committee, who rarely comments on any subject, gave this view this time: "We've had special sessions before but what they've accomplished I can't recall."

In his meeting with newsmen, Mr. Eisenhower noted that he is barred by law from asking for more than the authorization bill proposed, so, he added, his appropriation request would be "exactly that."

"Now I cannot say that if they take a ten dollar bill out of this thing, that that's a special session," he commented. "You can't be that arbitrary. . . . But he made it clear a substantial cut and worsening of world conditions would make the extraordinary session necessary in his opinion."

The President insisted he was not threatening Congress by raising the prospect of a pos-

Hercules by the Coast Guard "appears imminent," and that the Navy is testing new versions of the plan for the Marines. One of the test versions is an aerial tanker.

The Georgia division has been assigned the manufacture of the new UCX utility air transport which the company says is readily adaptable as an executive airplane. The UCX is a 10-passenger, four-engine transport. The prototype is scheduled to fly next month in Burbank, Calif., and production is expected to begin in Atlanta about the first of the year.

Steelworkers End Walkout At Great Lakes Steel Corp.

ECORSE, Mich.—Maintenance and blast furnace crews returned to work yesterday at the Great Lakes Steel Corp. plant here, ending an unauthorized walkout which closed the plant on August 2.

All departments probably will be in operation by Monday, the company said, and the majority of workers would be recalled by that time.

Workers at a mass membership meeting of A.F.L.-C.I.O. United Steelworkers of America, Local 1299, were ordered yesterday to return to work by the international union's district director, Thomas Shane.

On Tuesday, the local was placed under control of an international union staff representative by international president David J. MacDonald, after local officers were suspended.

Central Freight Lines, Inc.

WASHINGTON—The Interstate Commerce Commission rejected a plea by Central Freight Lines, Inc., Waco, Texas, to acquire control of Alamo Express, Inc., San Antonio, for \$2 million.

The commission at the same time turned down the Texas truck line's application to issue about \$1,500,000 in promissory notes to finance the transaction.

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Post Office Agrees To 7½% Boost in Rates Paid to Western Roads

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON—The Post Office Department agreed to a 7½% boost in the rates it pays Western railroads for carrying the U.S. mails.

The settlement, to take effect retroactively as of July 1, must still be sanctioned by the Interstate Commerce Commission. The Western carriers in February asked the I.C.C. to adjust their mail payments to an equitable level but sought no specific increase.

According to the Post Office, the increase will lift mail payments to the Western roads by about \$9 million a year to around a total of \$134 million annually. Postmaster General Summerfield declared "the increase is designed to compensate the carriers for increases which they have experienced" since the I.C.C. granted a 10% boost in mail pay during 1954.

The situation was explained at the special meeting he held with Democratic and Republican Congressional leaders at the White House Monday night. He continued, "as a matter of fact, I think I laid it out more strongly than I have here, but it was a longer conference—I suppose an hour and a half, hitting back and forth."

The Monday meeting kicked off Mr. Eisenhower's latest push for the foreign aid program. Since then, Republican members said they have been contacted by the White House for their support, but declined to say who had made the contacts.

The President gave the press conference a strong speech in defense of the foreign aid in general. He stressed the arguments he has made repeatedly that money spent to help allies maintain defense saves the cost of maintaining U. S. troops abroad.

"Here is the cheapest money we spend, as long as we are talking about getting security for the United States," he asserted.

Mr. Eisenhower's formal money request, which he sent to Congress after he signed the authorization bill, totaled the exact \$3,367,083,000 Congress allowed him to ask for.

The bill included \$2,350,000,000 for military aid—\$1.6 billion for direct military aid and \$75 million for defense support, which supports budgets of some allies and helps pay for projects such as roads that directly help military preparedness. The non-military portion of the request totaled \$1,017,083,000. That broke down into \$500 million for the Administration's fund for economic development loans; \$168.9 million for technical cooperation, which includes education and health projects; \$250 million for a special Presidential fund the chief executive can use anyway he sees fit, and \$198,173,000 for miscellaneous aid programs and expenses.

The subcommittee voted to cut the direct military aid amount by \$350 million and the defense support money by \$185 million, making a total cut of \$535 million in military aid. The economic development loan fund, for which Mr. Eisenhower made a special plea at his press conference, would be cut by \$200 million under the group's recommendations; technical cooperation would be cut by \$39 million; the special Presidential fund by \$75 million and the miscellaneous programs \$32 million, including elimination of \$25 million for Latin American projects and \$7 million for the Atoms-for-Peace Program.

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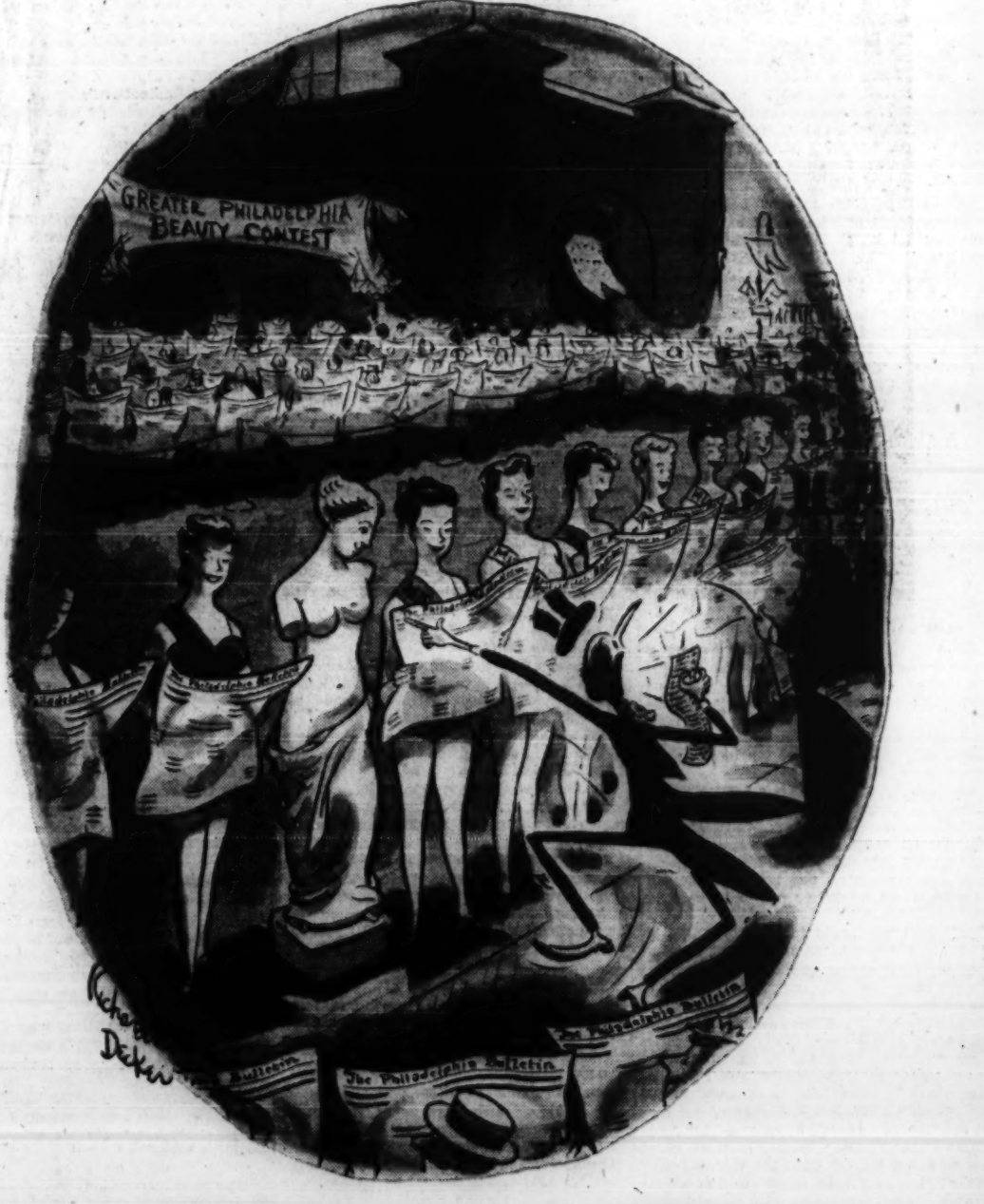
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Martin Says "Rolling Readjustment" Is Needed to Avert Crash in Economy

FRB Chief Tells Senate Unit Inventory, Price Declines Should Come Gradually

By a WALL STREET JOURNAL Staff Reporter
WASHINGTON.—Federal Reserve Board Chairman Martin said there must be some "rolling readjustment" in the economy if a major crash is ultimately to be averted.

He told the Senate Finance Committee inflationary pressures are creating "imbalances that ultimately will lead to serious deflation" unless adjustments can be made in time. At some point, he warned, someone has to take a loss and it's better for these losses to be taken gradually in different parts of the economy than all at once in the entire economy.

Mr. Martin was on the stand for a second day in the Senate Committee's investigation of Government economic policy. He will return for more questioning today.

The Federal Reserve Board, the chairman asserted, "is not taking any overt actions at the moment." He said the board was watching the situation very carefully and that the great majority of the system felt inflation was still the major economic problem.

The recent increase in the discount rate from 3% to 3½% rate in some districts was not aimed at leading the market, he said, but was rather aimed at bringing the rate in line with the market.

Sen. Martin (R., Pa.) asked the F.R.B. Chairman whether the chief job of the board was to preserve economic stability or to foster economic growth and prevent unemployment. The Reserve chief replied, "You can't completely separate the two." He said the board had a responsibility to supply additional money for economic growth but it could not supply too much or it would encourage inflation and "undermine the stability of existing jobs and lay the groundwork for unemployment."

"In recent years," he asserted, "the only possible means to maintain the full employment objective of the employment act has been to resist inflation. Inflation comes first and then deflation."

Asked which he would choose if he had to

make a choice between price stability and a temporary halt in economic growth on the one hand and creeping inflation and continued economic growth on the other, Mr. Martin replied the answer would depend "on the point you're at in the inflationary process." He said he did not want a recession of any sort at any time.

The F.R.B. chief said that when things get out of balance, as they are today, it's more difficult to get them back into line. He conceded: "This thing got ahead of us a little over a year ago and now we have to pick up some of the pieces."

The Reserve Board relaxed credit conditions much too early in 1954 and then it was too slow, he admitted, in taking anti-inflationary steps late in 1954 and early in 1955. "We would have been more effective if we had acted a little bit sooner and a little bit sharper," he added.

The Senators yesterday also got an illustrated lecture from three officials of the Federal Reserve Bank of Richmond on the inflationary pressures of recent years. "Whatever the short run outlook, we are convinced the long run outlook is definitely for inflation," declared assistant cashier Robert Fentress.

Mr. Martin told the committee the idea should be to have economic adjustments made gradually in different industries and in different sectors of the economy, without letting all the needed adjustments "come to a cumulative head, and we suddenly find that everyone has to make the same adjustments at the same time." This will happen, he warned, if the Government permits "excesses" to run rampant, and doesn't use monetary and fiscal policy to check inflation before it is too late.

Moreover, he said, Government monetary and fiscal policy alone won't do the trick. "Adjustments will be made," he declared, "when the demand that is still there, at a price, comes face to face with the fact that either prices have to be reduced in order to create the demand or adjustments have to be made in the level of inventories. Or some businesses have to recognize they are expanding too fast and developing temporary overcapacity." Mr. Martin stated he did not think any industry was installing capacity now that wouldn't be needed in perhaps 15 or 20 years, but that some had temporary overcapacity.

Government Policy "Undermines" Business Boom, AFL-CIO Says

Executive Council Claims "High Interest Rates" Squeeze Business And Consumer Demand

By a WALL STREET JOURNAL Staff Reporter
CHICAGO.—The A.F.L.-C.I.O. accused the Eisenhower Administration of trying to "undermine" the business boom.

It charged the Administration and business leaders with "blundering dangerously" in the face of what the federation called a crisis brought on by falling production and rising prices.

The charges were contained in an economic statement adopted by the A.F.L.-C.I.O. Executive Council at its summer meeting here.

The Administration's "tight-money-high-interest-rate policy" is squeezing both business and consumption demand, the declaration said, "and thus undermines the already waning boom."

"That this is the purpose of the Administration can hardly be longer doubted," it declared.

Sustained economic growth and "not a temporary recession" must be attained, the council-adapted statement said, if a "serious setback is to be averted."

In the face of a declining demand, the declaration said, prices have risen at a time when they should be falling, and "a change in the trend does not appear to be in sight."

Accusing the Administration of pursuing "confused and self-defeating policies," the council said the Government has "heaped fast tax write-offs and other unwarranted benefits on big business" which have only speeded up the "price inflating investment boom." The present "blundering high interest policy" hardly restrains spending by the "corporate giants," but does benefit the banks, the statement added.

In the face of all this, business keeps raising prices in the basic industries proclaiming "either that their workers are making them do it or that further price hikes are necessary to meet the cost of plant expansion," the declaration said. The policy statement denied that rising wages were the cause of rising prices. It charged that many corporations—specifically citing U. S. Steel—could pay for wage increases out of profits without raising prices. "Business leaders too often have sought to profiteer on each rise in their employees' earnings," the statement said.

In another action, the council upheld Federation President George Meany's earlier action in ousting Paul Dorfman as an officer and a member of a Chicago Federal Labor Union local. Mr. Dorfman, a close friend of Teamster Boss Jimmy Hoffa, was accused and found guilty by Mr. Meany of engaging in activities which were "contrary to the best interests of the A.F.L.-C.I.O."

The charges, which Mr. Dorfman denied, were that he benefitted from administering his union's health and welfare fund—a practice prohibited under the A.F.L.-C.I.O. codes of ethics if a labor official already gets a full-time union salary—and that he benefitted from his wife's partnership in an insurance agency run by his son which handled welfare insurance for unions. This also is banned by the Federation's ethical codes.

Most of the insurance handled by the Dorfman agency is with the Central States Con-

ference of Teamsters—of which Mr. Hoffa is the head.

Federal Labor Union locals come directly under Mr. Meany's jurisdiction, in contrast to other union locals which belong to international unions affiliated with the federation. Mr. Dorfman, who was secretary-treasurer of the union, a waste handlers' local, can still appeal to the A.F.L.-C.I.O. convention in December.

White House Gets Bill From Congress Curbing Fast Writeoff Program

Measure Would Limit Tax Aid Setup to Defense Facilities August 22, End It by 1960

WASHINGTON.—The House sent to the White House a bill to curtail on August 22 the Government's program permitting rapid amortization for tax purposes.

The bill would end the program completely December 31, 1959, if Congress does not extend it before then.

The Senate had originally tacked on the cut-back in the rapid amortization program as an amendment to a House-passed measure easing the tax treatment of damages received in breach of contract suits. The House yesterday approved the Senate amendments, completing Congressional action on the measure and clearing it for action by the President.

The House made its decision without any debate or without any dissent on the request of Ways and Means Chairman Cooper (D., Tenn.). The Senate also had passed the measure without debate or dissent on Monday.

The rapid tax amortization program was set up by Congress during the Korean War to spur expansion of industry for the defense program. Under it, companies were given the right to deduct from taxable income over five years all or a large part of the cost of new plant and equipment. Under regular tax laws, this cost would have had to be deducted over a much longer period.

The bill sent to the White House would limit rapid amortization certificates in the future to plants or equipment designed to produce new or specialized items for sale to the Defense Department or Atomic Energy Commission or to plants and equipment for research and development work for defense and atomic programs. The Administration itself curtailed the fast writeoff program sharply in recent months.

Columbia Records to Introduce New Line, Harmony Albums

NEW YORK.—Columbia Records, a division of the Columbia Broadcasting System, will introduce a line of records later this month under a new Harmony label.

The initial release will be comprised of 50 single 12-inch long-playing record albums to be priced at \$1.98. The 50 will be followed by additional monthly releases, the company said. The records cover both popular and classical material.

The company also announced it will market ten stereophonic tape recordings ranging in price from \$12.95 to \$18.95.



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Navy to Trim Payroll By 18,000 Civilians To Meet Economy Goal

Most of Cut to Be Made by Not Replacing Those Quitting, Retiring, or Dying

By a WALL STREET JOURNAL Staff Reporter
WASHINGTON.—The Navy, in a move to help keep down defense spending, announced it will cut its civilian payrolls by approximately 18,000 workers, with most of the reduction to take place by October 31.

The action follows a similar move by the Air Force, which ordered a 20,000-man cut in the air arm's civilian work force the end of October. The Army is contemplating taking similar action.

Normal attrition—the failure to replace

workers after they retire, die or quit—will account for most of its payroll paring, the Navy said yesterday.

The reductions will be made throughout the Navy's shore establishment, mainly in Naval shipyards, ordnance plants, repair shops and supply depots, the Pentagon announcement said. The action comes on the heels of plans to withdraw 40 ships from the active fleet by the end of this year. The Navy also is carrying out a 15,000-man reduction in its uniformed personnel, plus a 10,000-man cut in Marine Corps strength as its share of the 100,000-man cut in the nation's total 2,800,000-man troop strength that was ordered by Defense Secretary Wilson.

All these moves stem from the Pentagon's effort to keep military spending within the \$38 billion ceiling set by the Eisenhower Administration for the fiscal year that began July 1. The Navy's ceiling within this figure is \$10.4 billion. Recently Navy spending has been running much higher, at a rate of approximately \$11.1 billion, thus making the economy moves necessary.

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Most of the insurance handled by the Dorfman agency is with the Central States Con-



Examining plastic model of earth satellite in front of Minitrack Ground Station No. 1, Blossom Point, Md., are (left to right): A. E. Abel, Gen. Mgr., Bendix Radio Division; John Mengel, Chief of Tracking and Guidance, Project Vanguard; Dr. John Hagen, Director, Project Vanguard; Capt. Peter Horn, U.S.N., Director, U.S. Naval Research Laboratory

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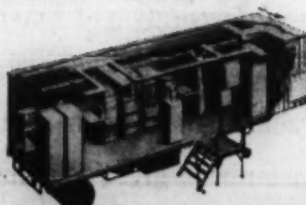
The construction and launching of the earth satellite—Project Vanguard—is a tremendous job. It challenges the finest scientific minds our country can assemble. Once launched, though, all is in vain unless it can be found and tracked.

It would be a lot easier to find a "needle in a haystack" than to locate the satellite, as it whirls through outer space at a jet plane flying at the speed of sound at 60,000 feet. And to complicate matters, the satellite will disappear from view when it is on the opposite side of the globe and will have to be picked up again

each time it reappears.

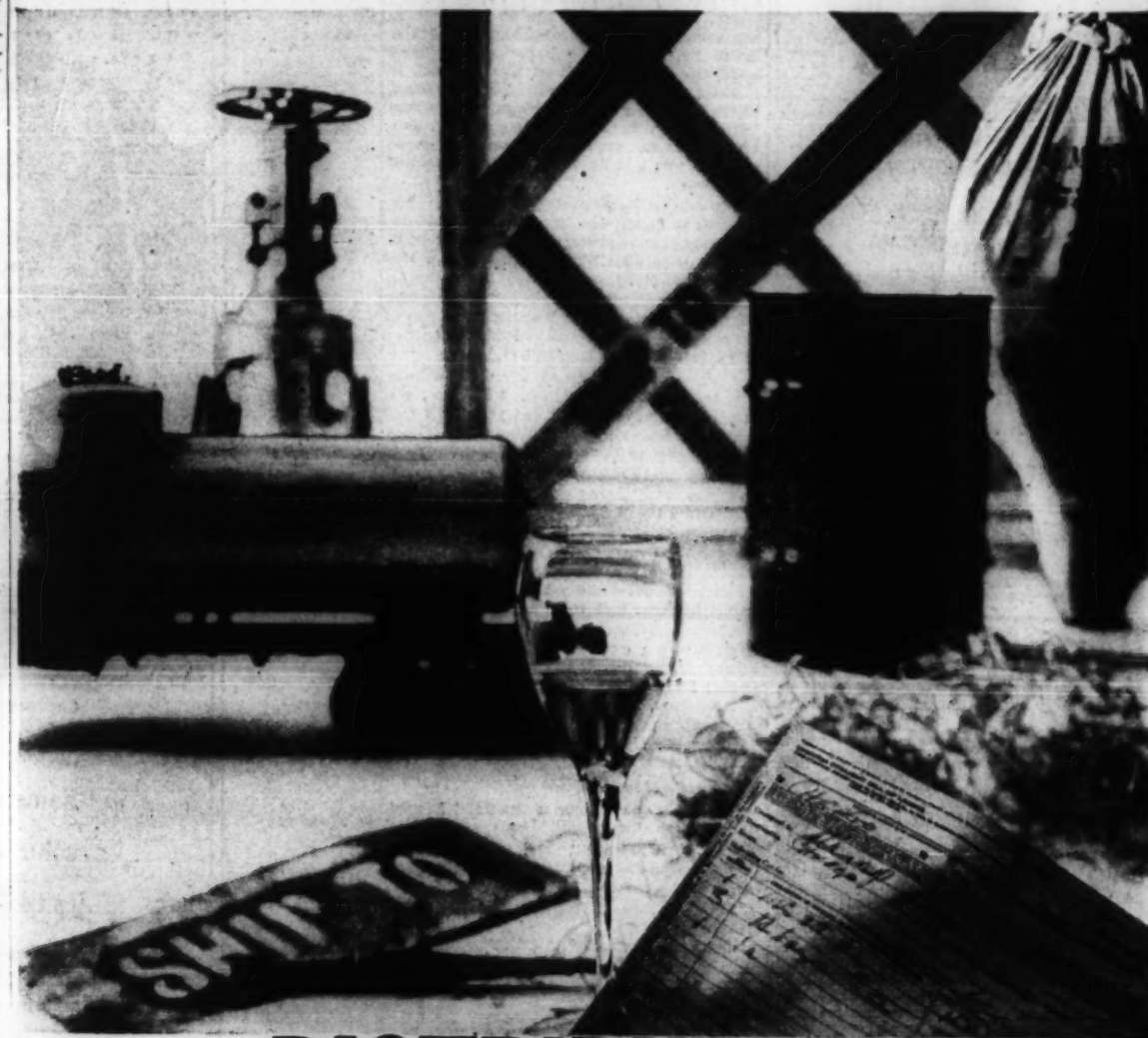
Here's the vital role Bendix®-built Minitrack plays: Within the satellite will be a tiny radio transmitter about the size of a cigarette pack. It will send out signals so Project Vanguard personnel can determine its position and course. The signals will have only 1/10,000th of the power consumed by a 100-watt light bulb. But the Minitrack is radio equipment so sensitive that it will readily pick up these signals.

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Curious view of air-conditioned trailer, similar to Ground Station No. 1, housing Bendix Minitrack system.

ment of Project Vanguard delivered ahead of schedule. Minitrack was developed by the U.S. Naval Research Laboratory, Washington, D.C., and built by Bendix Radio Division, Baltimore, Maryland, designer and producer of radio and radar for practically every use.



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Senators Told How Hoffa Candidate Became New York Teamsters' Head

Paper Locals Were Set Up in Alleged Effort to Rig Election of Council

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON—An off-beat assortment of witnesses described for Senate investigators how associates of racketeer Johnny Dio tried to rig a 1956 New York Teamster election for Jimmy Hoffa's candidate, John O'Rourke.

Two Dio allies, who sat by in silence as the tale was unfolded, promptly invoked the Fifth Amendment, rather than talk about the alleged rigging job.

Switch to Teamsters Described

The committee was told that Joseph Curcio, successor to Dio as president of the old A.F.L. United Auto Workers Local 649, and George Baker, long-time associate of Dio, switched allegiance to the Teamsters late in 1955 to help create "paper" locals—without any real membership—that could vote in the February, 1956, election for president of Teamsters Joint Council 16.

These fictitious locals, it was shown, cast their votes for Mr. Hoffa's man, Mr. O'Rourke, although their ballots were later impounded. Mr. O'Rourke's opponent, Martin Lacey, won that election but stepped aside late last year for Mr. O'Rourke to take over.

Yesterday's witnesses, friends and relatives of Messrs. Baker and Curcio, testified the two union officials used them and their names to pad the newly-formed paper Teamster locals with just enough "members" to qualify to vote in the February election.

Mr. Curcio and Mr. Baker, however, refused to testify on the ground their answers might tend to incriminate them. A third U.A.W. official and Dio associate, Harry Davidoff, also invoked the Fifth Amendment in a separate sequence of testimony on his role in paper Teamster locals.

Until now, the committee has presented evidence allegedly showing Mr. Hoffa's links with the oft-convicted Dio during the latter's early union days. Yesterday was devoted to showing how Dio's master U.A.W. local 649 and its officials helped Mr. Hoffa in his bid for control of Teamster activities in the New York area.

Temporarily sidetracking their inquiry on alleged Dio-Hoffa links, the Senate investigators yesterday afternoon gave a New York labor consultant a chance to deny charges of bribery and collusion sounded before the committee two weeks ago.

But right after Marshall Miller, the consultant, denied the old accusations, the committee fired a new salvo of charges at him. These, too, he said were false.

Friends of Witnesses Called

Mr. Baker and Mr. Curcio were called to the witness stand simultaneously. And one after the other, they refused to tell the committee anything except their names and addresses. The Senate investigators then began calling friends and kin of the pair to testify.

First came moustached, wavy-haired Armando Simontacci, who said he lived in Mr. Curcio's neighborhood. In short, clipped answers to questions by Committee Counsel Kennedy, Mr. Simontacci gave this account:

Mr. Curcio told him late in 1955 that he was being nominated for president of Teamster Local 269, one of the paper unions. Soon after, the witness heard he was elected. In February, 1956, he went to the Teamster meeting hall with a group of friends, all of whom were told to vote for Mr. O'Rourke. Mr. Simontacci was not even in the Teamsters union when he was told he would become president of the local.

Moon-faced young Basil Koschel, Mr. Curcio's brother-in-law and a production control clerk for a photographic firm, testified that his friend, Mr. Simontacci, told him late in 1955 that Mr. Curcio had put his name up for vice president of Teamster Local 269. "Simontacci was a close friend of mine, a real jovial type," Mr. Koschel told the committee. "So I took it all as a joke."

Counsel Kennedy asked when the witness first realized it wasn't a joke. "I took no stock in it until sometime early this year," the witness replied, "when investigating organizations came around to see me."

Mr. Kennedy asked: "Were you ever asked to vote in the February election?" The answer: "Not that I recall."

Mr. Koschel swore he did not attend the meeting. And when Counsel Kennedy produced records showing a vote was cast in his name for Mr. O'Rourke, the witness flatly asserted he did not cast that vote.

The comic high spot of the day was provided by truck driver Anthony Barbera, thin, scrawny friend of U.A.W. Official George Baker. Mr. Barbera was listed, according to Mr. Kennedy, as a trustee of Teamster Local 258, another paper union set up just in time to vote for Mr. Hoffa's candidate to head New York Teamsters.

Becoming a Trustee

"How did you become a trustee?" Lawyer Kennedy asked.

"Some time ago," Mr. Barbera said, "Baker asked me if it was all right to use my name on the charter. I said okay."

"That was the end of it?" came back Mr. Kennedy.

"Some time later," the witness continued, "there was something about voting. But I was drunk at the time and I don't know if I went to vote or not."

Mr. Barbera testified he wasn't even sure what union was involved in the charter and the subsequent voting, let alone for whom he voted. "I never heard from them any more after the election," Mr. Barbera said.

According to Counsel Kennedy, the vote was

American Viscose Lays Off 195 at Roanoke Rayon Plant

PHILADELPHIA—American Viscose Corp. is laying off 195 workers at its rayon textile yarn plant in Roanoke, Va. The company said the furloughs are for an indefinite period and will affect about 20% of the plant's work force.

The Roanoke plant for the past nine weeks has been operating on a 32-hour week. A company spokesman explained that under the Avisco contract with the Textile Workers Union of America, such curtailment can go on only for 10 weeks, with 40-hour production to be resumed then and production to be reduced by layoffs.

Roanoke turns out continuous-filament rayon yarns for textile uses. Avisco said sales of this product have not been going well in recent months.

cast in the witness' name for Mr. O'Rourke.

Sandwiched in among these three witnesses were two others similarly involved in paper Teamster locals—Martin Schlanger and Joseph Meglino. Both apparently told their stories freely to the committee in private earlier this year, but when they got on the stand yesterday, they invoked the Fifth Amendment.

In the afternoon testimony on labor consultant Miller, David Scharaga, head of a Bronx upholstery plant, swore in an affidavit to the committee that he offered—and Mr. Miller took—\$200 to settle a union contract with an Upholsterers International Union local the consultant was representing.

Mr. Scharaga charged, and another affidavit by Arthur J. Ortner, a management negotiator, backed him up, that Mr. Miller first demanded \$600 to sign the contract. A third affidavit from a top U.U. official said Mr. Miller was fired as a result of the incident.

Mr. Miller swore he had never demanded the \$600 or taken any \$200 bribe. He described the incident as "a frameup."

He told the committee, despite what he said were "threats on my life if I testified," that U.U. President Sal Hoffman and Mr. Ortner had concocted a deal to use "hoods" to intimidate employers in the upholstery industry.

The presence of these "hoods," according to Mr. Miller, would let Mr. Ortner claim big fees from employers for dealing with the union. As for Mr. Hoffman, Mr. Miller said, he was tapping the union's welfare fund for \$200 a week, in addition to a salary of a like amount.

Mr. Miller was fired on August 3 as a consultant to the New York State Committee on Industry and Labor Conditions, largely as a result of charges made against him before the Senate committee by a spokesman for the Association of Catholic Trade Unionists.

Other witnesses yesterday described Mr. Miller as playing a key role, after he left union life to work for management, in negotiating substandard union contracts for Puerto Rican workers in New York City.

Requests for Texas Crude Oil In September Trail August

AUSTIN—Buyers of Texas crude oil have requested 58,308 fewer barrels daily in September than they sought for August, the Railroad Commission announced.

Requests for next month average 2,615,191 barrels a day compared with August requests of 2,673,509. This compared with a permissible production of 2,099,219 barrels daily as of August 19 and actual production of about 2,600,000 barrels daily on that date.

The U. S. Bureau of Mines has forecast a demand of 2,750,000 barrels daily for Texas crude in September, a 50,000 barrel increase over the bureau's estimate for August.

A Railroad Commission official noted that most other producing states have failed to bear as great a share of the reduction in U. S. oil production this year as Texas has. He said that while Texas-origin crude in storage increased only 86,000 barrels during the four weeks ended August 3, according to U. S. Bureau of Mines,

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other states for the same period showed more substantial gains. U. S. stocks of Louisiana crude were up 719,000 barrels; Arkansas, 680,000 barrels; Kansas, 407,000 barrels; New Mexico, 588,000 barrels; Oklahoma 803,000 barrels; and Wyoming, 454,000 barrels.

Plymouth Rubber to Boost Prices
CANTON, Mass.—Effective September 3, Plymouth Rubber Co. is increasing the price of its rubber soles and heels by 3% because of increased labor and raw material costs.

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Congress

Price Discrimination: The Senate Judiciary Committee discussed but took no action on a bill (S. 11) that would curtail use of the "good faith in meeting competition" defense against price discrimination charges.

Vessels: The Senate Commerce Committee approved a House-passed bill (H.R. 370) that would give the Commerce Department another year to sell two war-built vessels for use on routes between the U.S. and Cuba and Mexico.

Fisheries: The Senate Commerce Committee approved a measure (S. 2720) that would increase to \$13 million from \$10 million the amount of loans that can be made by the Interior Department to finance small fishing operations.

Rapid Amortization: The House sent to the White House a bill cutting back the fast tax writeoff program August 22. It accepted this Senate amendment to an original House bill (H.R. 232) easing the tax treatment of damages won in breach of contract suits.

Military Clothing: The House Government Operations Committee approved a report recommending a tightening of Defense Department regulations on purchase of military clothing. The report said the armed services should "make a sustained effort to develop additional reputable sources of supply."

Letter Contracts: The House Government Operations Committee approved a statistical summary of military contracts negotiated by letter and terminated by letter.

Ship Safety: The House Merchant Marine Committee approved a report urging the Government to try immediately to call an international convention to come up with new ship safety regulations.

Veterans Pensions: The House Veterans Affairs Committee approved a bill (H.R. 2080) that would exclude state veterans' bonuses in determining income for Federal veterans' pensions.

Labor Jurisdiction: A House Labor subcommittee put off until early next year further consideration of legislation to clear up the jurisdiction of the National Labor Relations Board and state courts in labor disputes which the N.L.R.B. had declined to take prior to a Supreme Court decision last term.

Foreign Aid: The House approved and sent to the White House a compromise \$3.4 billion foreign aid authorization bill, \$500 million below the President's request.

Economic Probe: Federal Reserve Board Chairman Martin told the Senate Finance Committee that some "rolling readjustments" were needed to restore price stability without major damage to the economy.

Excises: A House Ways and Means subcommittee handling excise tax changes drew up a list of problems for staff study this fall, including a study of the effect of various excise tax rates.

State Department Polls: The House Government Operations Committee approved a re-

port charging that the State Department misused certain funds to pay for public opinion polls on foreign aid programs.

Textile Labeling: The House approved a bill (H.R. 489) requiring the compulsory labeling of the fibre content of textiles. The requirement would not apply to furniture and certain other goods.

Airline Subsidies: The House approved by voice vote a bill (H.R. 5822) that would allow airlines to use capital gains from the sale of existing aircraft to buy new equipment without any effect on their subsidy payments. The measure now goes to the Senate.

Power Brakes: The House Commerce Committee approved a bill (H.R. 5124) to give the Interstate Commerce Commission power to require and regulate installation of power brakes on trains. The Senate has passed a similar bill.

Veterans' Payments: The House passed and sent to the White House a bill (H.R. 52) increasing veterans' disability payments by an estimated \$170 million a year.

Contract Claims: The House Judiciary Committee pigeonholed a bill (H.R. 6609) directing Federal agencies on request to reconsider claims filed under the War Contractors Relief Act and rejected in whole or in part.

Freight Forwarders: The House, by a 177 to 176 vote, passed and sent to the White House a bill (S. 1383) to give the Interstate Commerce Commission stronger administrative control over issuing permits for freight forwarders.

Contract Carriers: The House gave final Congressional approval to a measure (S. 1384) that tightened the definition of motor contract carriers under Interstate Commerce Commission regulations.

Bureaus

Poland: The U.S. and Poland formally signed the final \$48.1 million portion of the total \$96 million U.S. aid package for that Communist country.

Erie Railroad: The Interstate Commerce Commission reaffirmed an earlier decision authorizing Erie Railroad Co. to abandon its Hudson River ferry service between Jersey City, N.J., and Chambers Street, New York City, and refused to postpone from midnight Wednesday until late November the effective date of the abandonment.

Air Route: President Eisenhower approved a Civil Aeronautics Board decision giving Eastern Air Lines, Inc., permission to fly non-stop between New York City-Washington, D.C. and Mexico City and denying a competing bid for the route by Pan American World Airways, Inc.

Mail Pay: The Post Office Department agreed to a 7.5% boost in the rates it pays Western railroads for carrying U.S. mail.

Giant Food: A Federal Trade Commission examiner ruled Giant Food Shopping Center, Inc., is immune from F.T.C. regulation because it prepares sausage and meatloaf for sale.



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Business Milestones

Vulcan Materials Co., Union Chemical Boards Approve Plan to Merge

Directors of Vulcan Also Propose
Acquisition of a Number of
Other Sand and Gravel Firms

By a WALL STREET JOURNAL Staff Reporter
NEW YORK—Vulcan Materials Co. and Union Chemical & Materials Corp. approved in principle the acquisition of Union by Vulcan. The proposal is subject to stockholder approval.

The board of directors of Vulcan also approved the acquisition of Lambert Bros., Inc., Knoxville, Tenn.; Brooks Sand & Gravel Co., Kingsport, Tenn.; Ralph E. Mills Co., Frankfort, Ky.; Wesco Paving Co., Chattanooga, and a number of other affiliated companies.

Vulcan plans to hold a stockholders' meeting in December to vote on the acquisitions.

According to terms of the Union-Vulcan proposal, holders of Union common stock would receive one share of Vulcan common and \$13 of par value of a new Vulcan 6 1/4% preferred for each share of Union common held. Holders of Union preferred would receive \$5 of par value of a new Vulcan 5 1/4% preferred for each preferred share held.

A total of about 1,300,000 shares of Vulcan common and \$1 million of par value of Vulcan's new 6 1/4% preferred would be issued for the Lambert Bros., Mills, Brooks Sand, Wesco and related company acquisitions.

As of May 31, Union Chemical had about 1,144,000 shares outstanding.

Thus in addition to the preferred, Vulcan Materials would issue a total of about 2,444,000 of its common shares for Union Chemical and the other companies.

At recent closing prices on the New York Stock Exchange, this would be equivalent to a purchase price of about \$45 million.

All the companies are engaged in various phases of the aggregates industry, producing sand, gravel, limestone, ready-mix concrete and related products. In addition Union oper-

ates a chemical division which produces chlorine products.

Union Chemical, headquartered in Chicago, in the fiscal year ended February 28, 1957, reported sales of \$38,941,417 and net income of \$3,580,321.

Vulcan Materials in 1956 had sales of \$37,321,083 and earnings of \$3,065,637.

Shattuck Denn Mining Buys Control of Brooklyn Firm

HUMBOLDT, Ariz.—Shattuck Denn Mining Co. has acquired majority control of Richmond Anchor Screw Co., Inc., of Brooklyn, manufacturers of concrete form tying and anchoring devices, said Thomas Bardon, president of Shattuck Denn.

Mr. Bardon said Shattuck Denn had purchased 50.51% of Richmond's 20,740 common shares. The Brooklyn company reported gross earnings of \$4,492,176 in 1956 and net profits of \$115,184.

Shattuck Denn mines zinc, lead, copper, gold, silver, uranium and vanadium ores. Its volume last year totaled \$4,700,000 and its earnings were \$740,342, or 93 cents a share.

General Telephone Acquires Firm

NEW YORK—General Telephone Corp. has acquired control of the Peninsular Telephone Co. of Tampa, Fla.

A General spokesman said more than the necessary 80% of Peninsular's common and preferred stock has been exchanged for shares in General. General's common stock exchange offer, the spokesman added, has been extended to 3:30 p.m. New York time on September 13, 1957.

Royal McBee to Build Plant

NEW YORK—Royal McBee Corp. announced it will build a plant in Springfield, Mo., for the manufacture of portable typewriters.

The cost of the new plant, which will go into construction around the first of the next year, was not disclosed. It is estimated it will take two years to complete and employ 1,000 workers.

At present Royal's portables are manufactured at its main plant in Hartford.

Price Tags

Union Carbide Boosts Price of Dynel Fibre 5 to 10 Cents a Pound

By a WALL STREET JOURNAL Staff Reporter
NEW YORK—Union Carbide Corp. raised prices five to 10 cents a pound on its Dynel synthetic textile fibre, effective with shipments October 1.

Prices will go up five cents a pound on natural-color Dynel staple and tow fibre in three, six and 12 denier grades, to a new level of \$1.10 a pound. Color-spun Dynel will be increased 10 cents a pound, making a new price of \$1.30 a pound on whitened, blond and gray types and \$1.40 a pound on the black, charcoal and brown varieties. Bulk fiber will carry a five-cents-a-pound premium over these prices.

The company did not announce any reason for the boosts. The fibre is competitive with DuPont's Orion, on which prices were raised three cents a pound last November. Union Carbide did not change Dynel prices at that time.

DuPont to Cut Zytel Nylon Resin Prices About 10%

WILMINGTON—Du Pont Co. said it will cut the price of its Zytel nylon resins about 10% effective September 18.

The company said the new prices reflect savings through increased production of nylon molding powders and advanced technology. Zytel is used to make mechanical parts, combs and brushes, wire jackets and other items. Du Pont also said that new markets are being opened for such uses as aerosol containers, automotive tubing and coated paper.

Under the new price schedule, prices per

pound for natural colored Zytel 101 are 22.5 pounds to 99 pounds, \$1.35; 100 to 1,999 pounds, \$1.25; 2,000 to 4,999 pounds, \$1.23; 5,000 to minimum truckloads, \$1.20 and minimum truckload quantities and up, \$1.18.

Lee Rubber Boosts Tire Prices

PHILADELPHIA—Lee Rubber & Tire Corp. dealers have been notified by the company that Lee tires and tubes will cost 3% more, effective today it was learned here. A letter to dealers said, however, one nylon passenger tire would not be boosted in price—this retails for about \$18.

Lee's action follows similar price increases made late in July and early this month by other tire makers.

Texas Co. Cuts Fuel Oil Prices

NEW YORK—The Texas Co. has cut the price of its No. 6 fuel oil five cents to 11 cents a barrel in the areas in which it markets along the Atlantic Seaboard. An exception is Philadelphia where no price change was made. The price change follows like action yesterday by Esso Standard Oil Co.

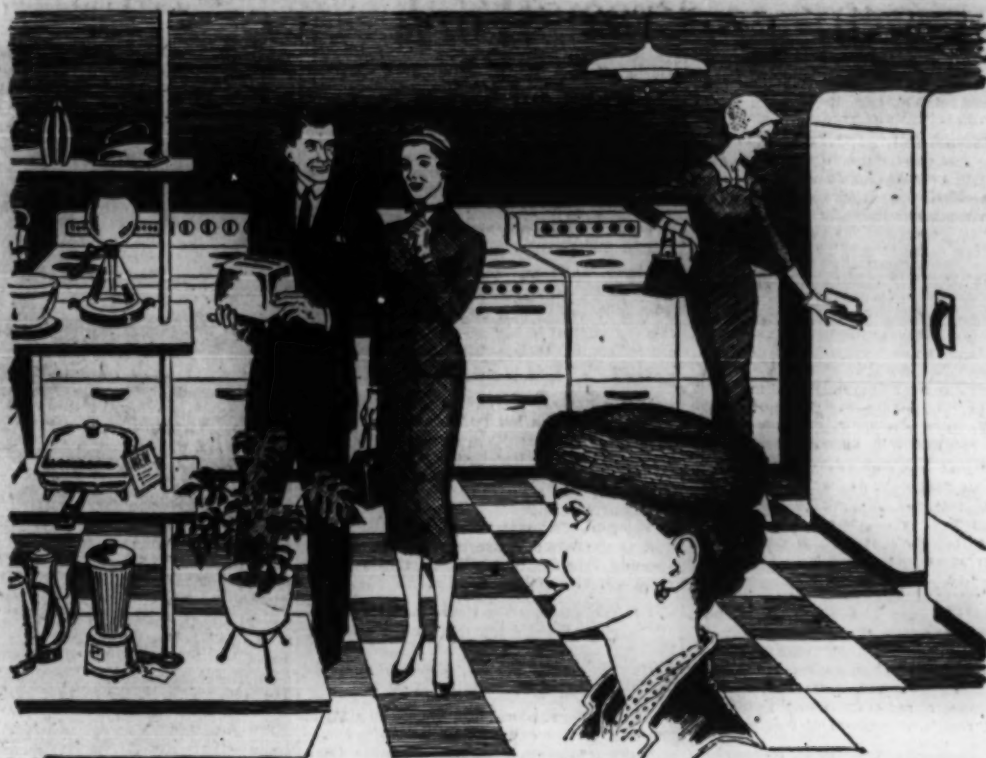
Atlantic Refining Price Cut

PHILADELPHIA—Atlantic Refining Co. reduced prices on residual fuel oil, 5 to 10 cents per barrel, effective today.

A company spokesman said the move was being made to meet competition. New Atlantic prices include No. 6 high sulfur, down 5 cents to \$2.98 a barrel, and No. 4, No. 5 and No. 6 low sulfur fuel oil down 10 cents a barrel to \$4.04, \$3.78 and \$3.08 respectively.

Olin Mathieson Cuts Cellophane

NEW YORK—Olin Mathieson Chemical Corp. announced it is reducing to 79 cents a pound from 84 cents a pound the price of its polymer-coated cellophane, a "greaseproof" cellophane used as packaging material for baked goods and certain meat products.



How Glidden is growing with the 8.8 billion dollar sales of appliances

To help sell appliances of all kinds, to help make them perform better and longer, is a responsibility of suppliers such as The Glidden Company.

Consider the part now played by protective coatings. The Glidden Company is a leading supplier of gleaming finishes in an infinite range of colors, both to protect and beautify exterior surfaces of appliances. In addition, Glidden supplies polyester resins and other ingredient materials for plastic cabinets and parts.

Pigments, that make today's array of colors possible, also come from Glidden. So do metal powders from which manufacturers now mold a myriad of

precision parts, such as oil-less bearings, to help appliances run smoothly.

Rubber, that seals appliances tight, is compounded with pine tar derivatives made by Glidden. And plastics, for handles on irons and knobs for TV sets, are improved through the use of Glidden soybean derivatives.

These are but a few examples of the way The Glidden Company serves the huge appliance industry. And they are typical of the way Glidden grows through helping improve products, develop new ones, or reduce costs for the growth industries Glidden serves. The Glidden Company, Cleveland 14, Ohio.

Growing with the **Glidden** horizons of chemistry

PAINTS
For Consumers; Product Finishes;
Industrial Maintenance; All Surfaces

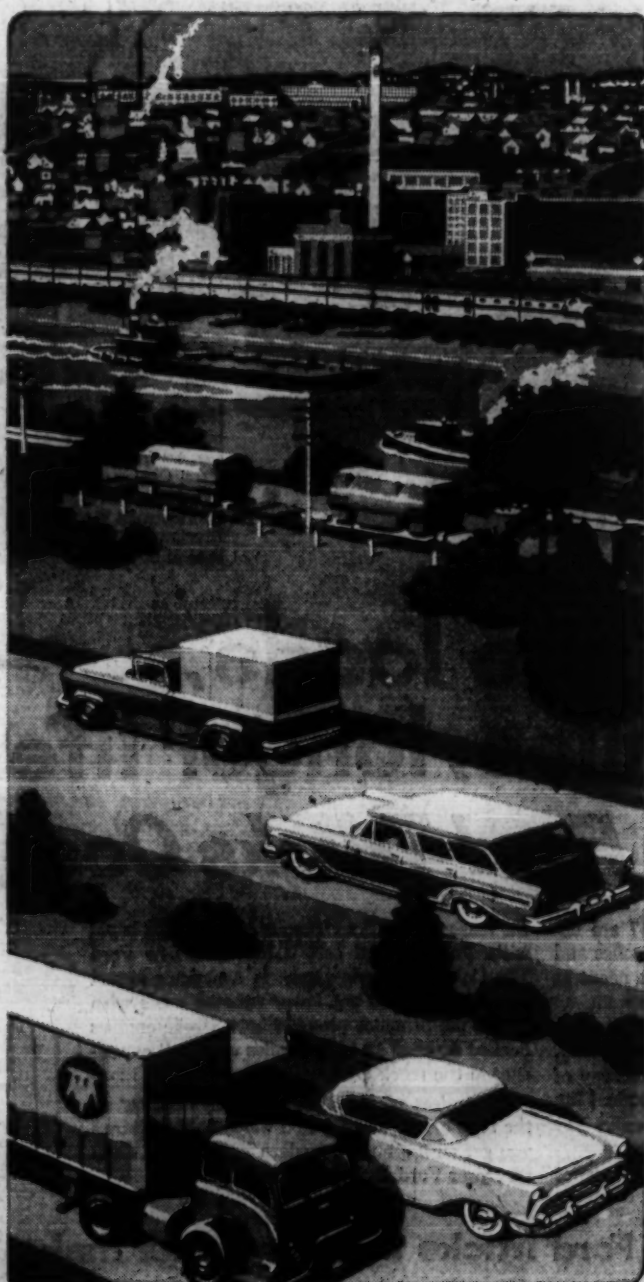
CHEMICALS—PIGMENTS—METALS
Pigments and Metal Powders
for Industry

SOUTHERN CHEMICAL
Naval Stores;
Turpene Chemicals; Resins

CHEMURST
Soybean Derivatives;
Grain Merchandising

DURKEE FAMOUS FOODS
For Food Processors;
Restaurants; Consumers

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If you're planning expansion, consider Amsterdam. Within six months, six new industries have located in this city. They were impressed with its possibilities. Here is fast, cheap transportation via the N.Y. State Thruway, N.Y. Central Railroad and the Barge Canal. All within overnight shipping distance to half of America's markets and merely hours from New York City.

Other benefits: available plants, developed industrial sites, top-rated schools, glorious vacationlands right next door. Add to these the advantages of low-cost electricity and natural gas from Niagara Mohawk's intercommunity system.

Is it any wonder so many of the executives who make expansion decisions are looking into "Upstate, N.Y."? Get the full story on what this booming area has to offer you. Drop a line to Earle J. Machold, President, Niagara Mohawk Power Corporation, Syracuse, N. Y.

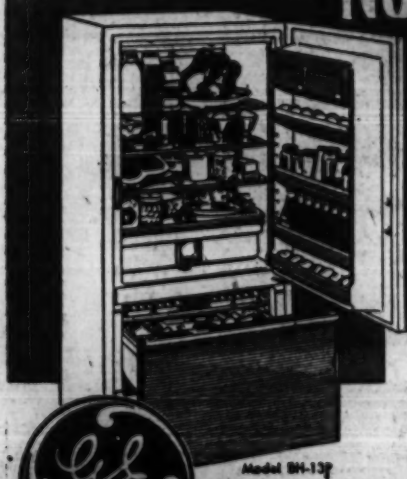


The New York State Thruway flows through the heart of the Niagara Mohawk System... an area of opportunity for business seeking a new home near rich markets, with a wealth of natural resources.

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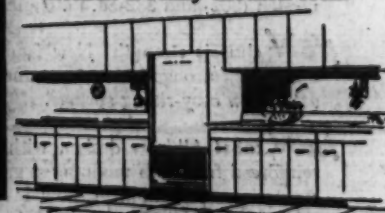


GE
TOUCH-ACTION
FEATURES

- REVOLVING SHELVES
- REVOLVING VEGETABLE BINS
- MAGNETIC SAFETY DOOR
- ROLL-OUT FREEZER

NEW 13-CUBIC-FOOT REFRIGERATOR-FREEZER with "STRAIGHT-LINE" Design.

Whether you build it in or fit it in, new General Electric "straight-line" design gives your kitchen a really modern look.



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Transcript of President's News Conference

THE WALL STREET JOURNAL, Thursday, August 15, 1957

7

WASHINGTON—Following is the transcript of President Eisenhower's special news conference yesterday on foreign aid:

THE PRESIDENT: I think, ladies and gentlemen, that this is the first time I have asked you into an impromptu press conference. But I have called you in because I have just signed two documents that I believe will be of the utmost importance to the security and the prosperity and peace of the United States.

They are the Mutual Security Authorization Act and then my official request upon the Congress for the appropriations to implement.

Now the authorization is for approximately three and four-tenths billion dollars. This is a half-billion less than that which I requested last May. The amount, therefore, that is on the appropriation request is exactly that, three and four-tenths minus billion, because I am prohibited by law from asking for more.

Now I signed this with really the prayerful hope that we may be able, with that Act, to sustain the essential interests of the United States in the free world, but there is no disguising the fact that the effects will be serious. Nevertheless, we can hope that we will do well enough so that the calling of the Congress in extraordinary session will not be necessary.

Now let's take a brief look at the history of this Mutual Security.

It started in 1947 and since that time there have been many points in the free world that have been transformed from positions of weakness and threat into positions of real strength for the free world.

Greece and Turkey started it. Yugoslavia, breaking away from the overlordship of Moscow. Iran in 1953. Then Vietnam a little later. And finally a stronger and better position in the Mideast.

Now in that period—1947 to the present—the United States has put into the defense part of our Mutual Security about 17 billion dollars. Our allies have put 107 billion dollars. This means that for all of the money we have put in, there have been hundreds and thousands of soldiers, sailors and airmen supported that we could otherwise have not supported at all on the side of the free world.

Incidentally, the cost of a division in almost any other country in the world is just a fraction of what it costs to sustain an American division either here or abroad.

Now certain of these countries that are on the outskirts of the free world and right up against the Eurasian land mass are now absorbing about three-quarters of what we call the total of our defense supports. These are Korea, Formosa, Vietnam, Turkey and Greece.

Let's consider Korea for a moment. In Korea we have got invested 135 thousand American casualties. Now I believe that under the circumstances existing at the time that war began, the war was necessary. Those casualties were required from us in order to support our security in the world and to stand firmly behind the cause of freedom.

But my question is now: Are we going to nullify all those sacrifices by failing to recognize the position of Korea facing a long battlefield of 155 miles and without adequate support from us? Those countries are poor economically and financially, but they are strong in courage, and by helping them we certainly help ourselves.

Now in Korea alone we put \$40 million dollars, or something of that nature. We have

of course been struggling to help them get a position where we can lower these costs. All over the world we have sought places where we can make savings. But as I told you, Korea cannot support the kind of forces necessary, unless we help them with money. And we have, as you know, only a very small portion of the soldiers in Korea we once had.

In the authorization bill, also, there is a development fund project which allows us to transform our economic help largely from the grant basis to the loan basis, something which every committee that has studied this problem recommends strongly.

I most earnestly hope that the Congress will support this particular part of the bill to the full.

Now let us remember, mutual aid has no special pressure group supporting it. There is no particular organization in America that is making a living out of supporting Mutual Security. This is merely a case where the welfare of all of us is involved—every single one of us, and our children.

So I think it becomes necessary for the President, who does if nothing else try to represent—and it is his job to represent—all of the people of the United States, to speak up in favor of what we are doing. A program that has been, on the whole, one of the most successful of any in which we have engaged; which confronts the Communist menace with a unity of purpose and strength throughout the world. That is the kind of program that we are now talking about supporting properly, or weakening it.

I feel that America is not going to want to desert something that has been so laboriously and patiently built up over the past ten years by Americans of all parties, all races, all occupations. And I do not believe America is going to see it crumble through any false economy, or because it just has no local political impact.

Now of course this is not a regular press conference, and so in fairness to others, I would say let's don't go afield, but if there are any questions upon this particular subject, I would be glad—either with myself or my staff to try to answer.

Special Session Questions

Q—(Steele, Time Magazine): Mr. President, at one point in your statement you have given us, you referred to the hope that enough money would be appropriated this year to avoid the necessity of a special session of Congress.

THE PRESIDENT: Well, I said I hoped—

Q—(Mr. Steele): Yes, sir.

THE PRESIDENT:—that we would get through with what we have been allowed, and I am hoping and praying that they give us what is now in the authorization bill, you see?

Q—(Mr. Steele): Yes, sir.

THE PRESIDENT: I want that supported in full. With that money, I believe we have got a good chance to get through the year.

Q—(Mr. Steele): If such is not the case, if you don't get that money, may we assume you would not hesitate to—

THE PRESIDENT: I would have to. You cannot stand aside and see America's interest deteriorate throughout the world just by inaction.

Q—(Smith, UP): Well, can we harden that up a bit, sir? Are you going to call a special session if they don't pass the appropriation?

THE PRESIDENT: No. This is what I am

going to do. I am going to watch every single day what is developing in the world and whenever for lack of money the United States' interests become placed in real jeopardy, at that moment I would have no recourse except to call a special session.

Now I cannot say that if they take a ten-dollar bill out of this thing, that that's a special session. You can't be that arbitrary, much as you might like to make that as a statement, Merriman.

Discussions With Congress

Q—(Lawrence, New York Times): Mr. President, referring to this conference you had the other night with the Democrats and the Republicans, I take it you made to them—

THE PRESIDENT: Exactly what I have said to you.

Q—(Mr. Lawrence):—the same sort of thing you have said to us? Now, what kind of response did you get? Was it an encouraging one—

THE PRESIDENT: I cannot tell you—I mean, I don't know, really—

Q—(Mr. Lawrence): No commitments?

THE PRESIDENT: No, there were no commitments of any kind. There never are at any of those meetings, Bill. Just a question of I lay out before them what I believe. I lay it out strongly. As a matter of fact, I think I laid it out more strongly than I have here, but it was a longer conference—I suppose an hour and a half, hitting back and forth.

And of course, people can call your attention to places where there has been malfunctioning of administrative offices, where there has been some waste. Of course there is. We are human.

But the fact is: Here is the cheapest money we spend, as long as we are talking about getting security for the United States. If we did not have this working effectively, I just would hate to guess what would be the sums I would have to ask in the defense appropriation next year.

No Threat Implied

Q—(Larry Burd, Chicago Tribune): Mr. President, did you tell the leaders the other night the same thing that you told us, about the possibility of calling them back into session?

THE PRESIDENT: Well, I think probably only in a more negative way. I said that of course none of us would like to see the necessity—the need for a special session of Congress.

Q—Burd: You did raise that possibility—

THE PRESIDENT: I mention this every time I talk about this particular problem. However, as you people well know, I don't think that any of you ought to interpret anything I say in terms of a threat of any kind. I never make them. It's a matter of what the necessities of the moment demand.

Any others? Well, thank you for coming in.

Q—(Smith, UP): Thank you, Mr. President.

THE PRESIDENT: AS I say, this is a bit unusual. Good to see you.

Pillsbury Building New Plant

MINNEAPOLIS—Pillsbury Mills, Inc. has started construction of a 100,000-square foot plant at East Greenville, Pa. The company's present manufacturing facilities at Downingtown, Pa., will be moved to the location when it is completed in 1958.



A \$32,000,000 TREASURE HUNT FOR SUBMARINE ASBESTOS

Black Lake in Quebec covers a treasure much more valuable than the legendary loot of Captain Kidd. Beneath 200 feet of water lie some of the richest deposits of high-quality chrysotile asbestos in the Western Hemisphere.

American industry needs asbestos, but few companies have the experience to mine it under the topographical difficulties presented by the Black Lake area. Lake Asbestos of Quebec, Ltd., a wholly owned subsidiary of American Smelting and Refining Company, is now developing these ore bodies and building a modern asbestos fibre mill to handle their output.

Black Lake is being drained; rivers and highways are being relocated, and open-pit mines, eventually as much as 500 feet below the old lake surface, will be in operation by 1958. The investment will total \$32,000,000. Known deposits assure a source of supply for at least 40 years.

ASARCO has established special asbestos research facilities at its Central Research Laboratory at South Plainfield, N. J. If you use or may be able to use these mineral fibres in your manufacturing operations, we will be happy to work closely with you to help you find the most practical and economical applications.

AMERICAN SMELTING AND REFINING COMPANY
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No. 4 in a new series:

New York to Paris in 15 minutes

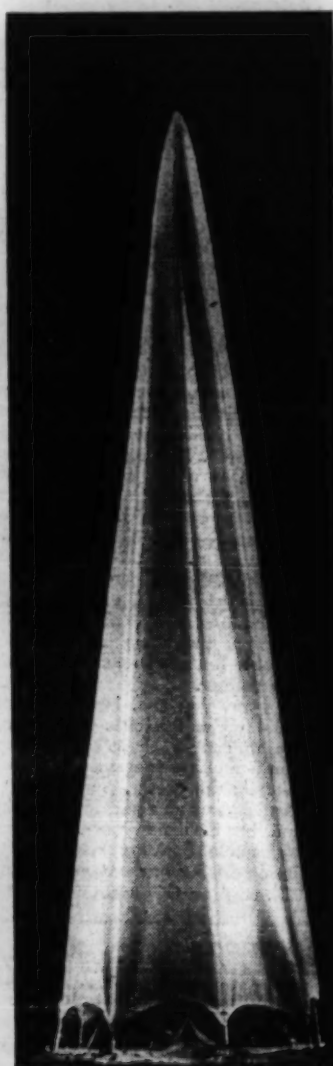
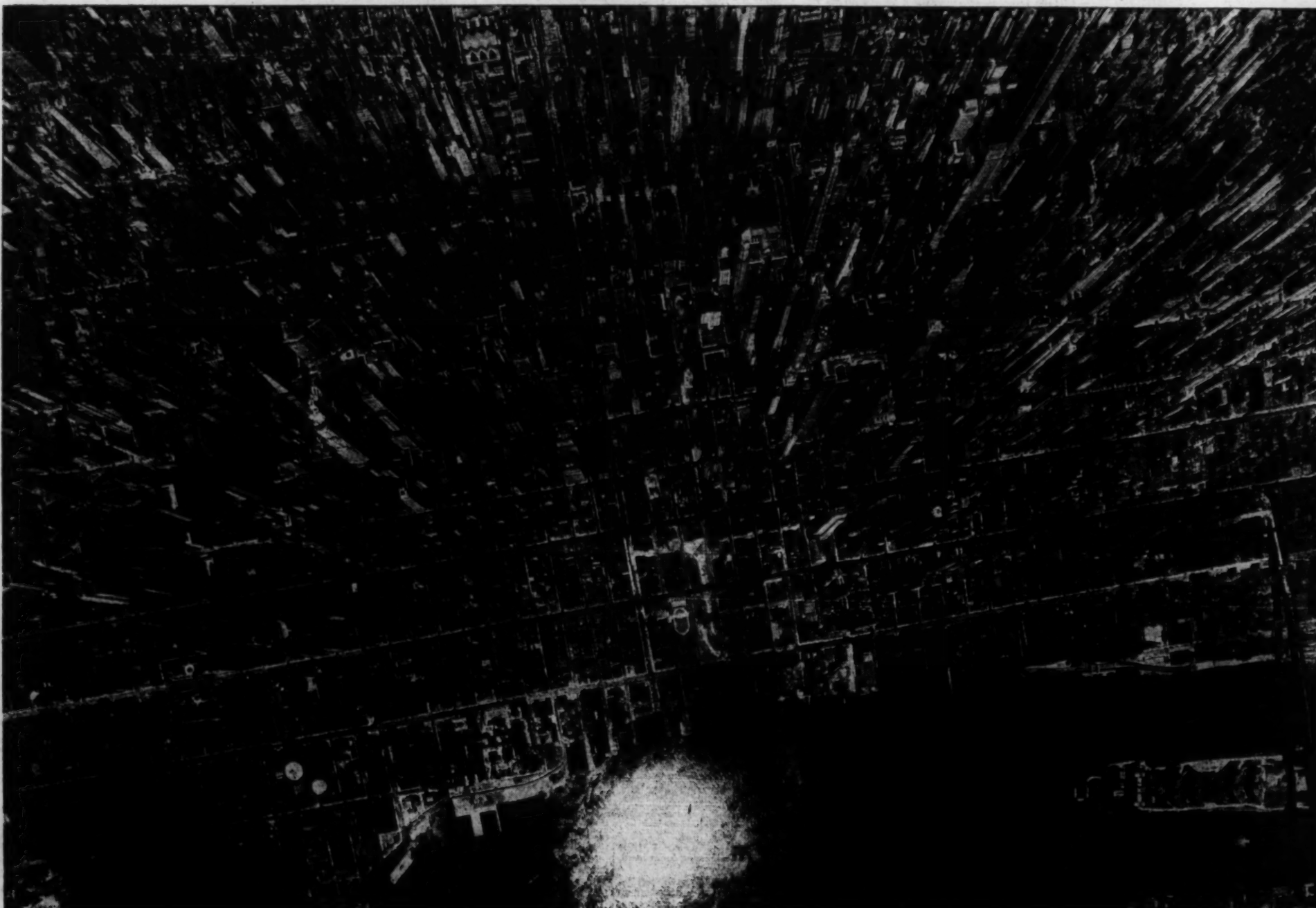
Before the present century ends, authorities have said, you will be able to board a rocket and cross the Atlantic in minutes. Or circle the Earth in an hour...

This is being brought about because of practical research on problems that need answering now. At Douglas, for instance, work to cushion sensitive instruments

against the tons of gravitational pull they meet in a rocket take-off tells much that will help protect passengers in a rocket ship. Improved aerodynamic design for supersonic fighters suggests more efficient airframes for rockets. The control system which will permit directing the Douglas Thor missile to a target 1500 miles away

leads to controls for tomorrow's rocket ships.

Today, Douglas engineers work in fields ranging from atomic power to electronics, thermodynamics to acoustics. You see the results of this in skies around the world, in aircraft, rockets and missiles for all of our armed services.



Thor, new intermediate range ballistic missile developed for the Air Force by the Douglas Aircraft Company is still a hush-hush project. Thor is designed to carry a thermonuclear warhead at meteoric speeds... when operational, will supplement the manned bomber force of the Strategic Air Command. Douglas is now building three basic types of rocket and missile: air-to-air, ground-to-air, and ground-to-ground.

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DOUGLAS
first in Aviation

Straight down view of New York as it would look in a vertical take-off.

REVIEW and OUTLOOK

The Essence of Conspiracy

The United States is reluctantly concluding that the Soviets don't intend to do any disarmament business after all. Yet, as Mr. Gibson reports on this page today, the United States fears that if it breaks off the London talks it will be exposed to a painful propaganda barrage from Russia.

Now this notion that the Soviets might have been interested in reaching a significant disarmament agreement always seemed a little hard to believe. True, there are pressures in the Soviet Union for an easing of the arms burden. But the easing doesn't have to come about through an international agreement.

The fact—which is somewhat obscured by the disarmament discussions themselves—is that the arms race is leveling off. The big powers are doing it on their own, without agreement. The United States is trying hard to hold the line on defense spending, and this entails some reductions in troop strength among other things. Relatively speaking, Britain plans to cut much deeper. The Soviet Union has released men to work in industry and agriculture.

Thus limited disarmament is taking place by sheer force of economic necessity. Probably more of this type will take place as the costs of advanced weapons continue to mount. But it is unrealistic to expect the Soviets to make a hard and fast agreement to the kind of disarmament that is being proposed in London. It is unrealistic because it is contrary to the nature of Soviet Communism.

Communism is an international conspiracy directed against the West and principally against the United States. What is more, it is a militant conspiracy. Secrecy is the essence of a conspiracy. Sufficient military power to threaten world peace is the essence of a militant conspiracy. And it is the essence of a militant conspiracy against the West not to deal in "good

faith" but to seek every opportunity to trick, deceive and trap.

How, then, can the Soviets agree to an inspection system that would open their country to the eyes of the West? If effective, it would destroy the secrecy they need. How can they subscribe to the purpose of such an inspection system? Its purpose is to eliminate the danger of surprise attack. But they need to be able to threaten the world with war.

This threat should not be underestimated simply because the Soviets have been talking of economic competition in recent years. The use or threat of military force, abetted by weak American diplomacy, is the way the Soviet and Chinese Communists achieved their tremendous post-war territorial gains. Now they are checkmated. But if they ever get the West off balance again—such as by a faulty disarmament agreement—they will not hesitate to use the threat to pick off more nations.

If, despite all this, the Soviets should suddenly agree to sign today the West's proposed disarmament pact in toto, that would be reason for serious concern. The supposition would be strong that the Soviets saw in the pact an opportunity to harm the West. Otherwise the most it would seem the Soviets could agree to, with the intention of carrying out, are peripheral items, things that would not materially affect their essential secrecy and essential war potential.

Perhaps the dimming hope of even such limited agreement justifies keeping the talks going a while longer. Certainly the United States fear of adverse propaganda if it pulls out is not a justification for continuing.

The whole subject of disarmament has already nourished enough illusions about the Soviets. To pursue the talks for no better reason than propaganda is simply to play the Soviet game.

A Dillar, A Dollar, A Federal Scholar

A House Education subcommittee plans to study a proposal by its chairman, Mr. Elliott, for the Federal government to provide \$32 million for college scholarships this year, then double the amount each year until the annual expenditure reaches \$128 million.

U. S. Commissioner of Education Derthick told the subcommittee that the nation is faced with an almost inconceivable scarcity of people equipped to be leaders during the next quarter century. Expanded opportunities to attend colleges and universities can no doubt do a great deal to alleviate the scarcity Mr. Derthick predicts.

In fact, colleges, universities, foundations and industry already recognize the problem and a great many scholarships are available for needy youngsters. It's our view that there aren't very many really potential lead-

ers who miss the opportunity for an education because of an absence of scholarship aid.

Some, though, probably do. And it may be those that Representative Elliott's proposal is designed to help. For our part, we would like to see every capable person, potential leader or not, have an opportunity to benefit by higher education.

So we have a substitute proposal to the spending by the Federal government of an annual \$128 million on scholarships.

Instead of gathering money in Washington to be spent by bureaus for scholarships (who'll get them and on what basis?), it's Greek to us why the Congress doesn't just allow the burdened taxpayer to keep more of his own earnings to meet his own responsibilities for educating his own children.

Absolutely Impartial

We note there's a little political maneuvering going on to see who—if anyone—is going to get credit for tax cuts next year.

The House Ways and Means Committee, after a meeting between its Democratic members and House Speaker Rayburn, has announced it will begin hearings next January 7 on plans for individual income tax relief. This timely announcement was made just in case President Eisenhower should propose a tax cut of his own later. Then, if there are any tax cuts, the Democrats can claim that they got there first—but not necessarily with the mostest.

Meanwhile, Republican Administration officials let it be known that they too are thinking about tax cuts. The hope is that they can be proposed with suitable fanfare in next January's budget message.

Next year, you see, is an election year. And while tax cuts have some intrinsic merits of their own, every politician is anxious to see that his own party merits the credit.

This strikes us as a perfectly worthy ambition, but right now we are having enough trouble deciding which party gets the credit for our not getting tax cuts last year or this year.

Who's News

George M. Humphrey Named Chairman of National Steel

PITTSBURGH—George M. Humphrey, former Secretary of the Treasury, was elected chairman of the board of National Steel Corp. at a meeting here. Mr. Humphrey was one of the founders of National Steel. He became a member of the board and chairman of the executive committee when National Steel was organized in late 1929 and continued in these posts until he was appointed Treasury Secretary in 1953. His new duties with the company will be largely concerned with financial and policy matters.

National Steel is the nation's fifth largest steel producer. It was headed by Ernest T. Weir until his death on June 26. Last April Mr. Weir retired as board chairman and selected Thomas E. Millspaugh to succeed him as chief executive officer. Mr. Millspaugh remains as president and chief executive officer.

National's board last May amended the company's by-laws to provide that the duties of the chairman would be primarily in connection with financial and policy matters and to make the president the chief executive officer.

Personnel Notes—Management—

Commerce and Industry

Slack Airways, Inc. (Dallas)—Delos W. Rentzel has been named president succeeding Robert J. Smith, who has resigned from that post and also from that of director and member of the executive committee. Mr. Rentzel previously was chairman, and served as president prior to Mr. Smith's election to that position in May, 1956. The company said Mr. Smith resigned because of pressure from other duties.

Aerojet-General Corp. (Azusa, Calif.)—Chandler C. Ross and H. W. Davis were elected vice presidents of Aerojet-General Nuclear Co. in San Ramon, Calif., a subsidiary of Aerojet-General, maker of rockets and guided missile power plants.

Scandia Manufacturing Co. (North Arlington, N. J.)—Leslie L. Vanderbilt was named chairman of the board of this manufacturer of packaging machinery. W. B. Bronander, Jr., was named president. Mrs. Gabriel S. Alelio, Jr., was named secretary-treasurer.

Letters

To the Editor

The Business of Sports

Editor, The Wall Street Journal:

The article "Intellectuals and Baseball" by Mr. Roger Kahn (Aug. 6), I find very interesting, particularly some of the figures he gives. He speaks of there being 400 major league baseball players and the average game lasting approximately two hours and 45 minutes, with action of perhaps 15 minutes of that time.

It has long seemed to me that the baseball player puts forth less effort than most any other athlete. According to Mr. Kahn's figures there is 11 times as much rest as activity. In fact, outside of the pitcher and catcher, most of the other players may go through an entire game with little activity beyond running on and off the field between innings.

The football player may see more action, but here also there are plenty of periods of rest and many substitutions. Also, it is generally played only once a week.

In contrast, take the tournament tennis player. He is often required to play every day for a week or more, and in the hottest weather with no intermission except after the third set. Furthermore he is strictly on his own, having no team mates to share the burden (excepting in doubles).

But the main difficulty, as I see it, is that most team games have been taken over as a business by promoters and they are not interested in developing players excepting to a very limited extent. What they are interested in is the development of spectators, and lots of them.

F. B. ROUNDEY

Douglston, N. Y.

Engineer Raiding

Editor, The Wall Street Journal:

Another sour note on your article about the engineer shortage (July 31). Some months ago one of our party chiefs left us to work for one of those big super-atomic city engineers that get big nuclear contracts from Washington. This boy came to see me, wearing a grin, two or three weeks after he had fissioned himself from me. "How are you doing in the new job?" said I. "Okay," said he, "I'm getting 50% more pay for doing half as much work as I did for you."

That is the way it goes. They use our tax money to raid us and hoard our engineers while making their 10% or 15% cost plus profit on them while fattening them on the shelf.

Go into any of these big company offices and find some of these smooth-skinned late-vintage engineers sticking pins in maps at \$450 per month starting salary.

Engineer shortage, my eye.

G. D. HOUTMAN

Media, Pa.

Tale of a Lathe

Editor, The Wall Street Journal:

To pay Federal, state and local taxes takes at least the first 21 minutes of each working hour. These first 21 minutes are "government property." This leaves us less than 39 minutes out of each hour to earn a living. Corporations fare even worse; they must give up more than 30 minutes out of each earning hour. How dangerous this is can be gained from the following illustration:

Back in 1943 we bought a lathe for \$12,000 and, as allowed by the Federal tax laws, we charged it off in 14 years at \$857 a year. Now we have a worn-out lathe that we could sell for \$100. Pricing lathes today we find that one like ours now costs \$35,000, while the up-to-date model—the one that we would need to be efficient enough to compete—costs \$74,000. We have the \$12,000. We can sell the old lathe and recover \$100. Where do we get the remainder?

Because Federal taxes take all but 49% of our earnings we would have to double our sales of \$1,600,000 to get enough profit left after taxes to pay for the new lathe. This is easier said than done. Or we could go out and borrow the money at over 4% interest, but then there would be an annual interest charge of over \$1,280 a year. This you will note is at least \$80 a year more for just the interest (averaged for a reducing loan over 14 years) than we were paying to write off the old lathe.

Like most businesses today we just can't increase our sales fast enough to keep up with these ever increasing costs and taxes, so we will have to borrow the money, pay the \$5,851 a year to write off the new lathe and pay the interest charges. Instead of the \$857 that we were paying to write off the old lathe. Where will this additional \$4,994 come from? Obviously we, like the lathe manufacturer, will have to increase our prices.

It is cases like this that illustrate how our income tax laws really cause inflation and force industry to go into debt just to stay in business.

Also this case illustrates that while prices to consumers are high, it isn't the cost of the item so much as the included taxes and the interest charges from forced borrowing that really have forced up prices. The \$10, \$20, and \$30 deducted from paychecks we see, but the \$10, \$20 or \$30 a week that we pay in hidden, included taxes in the purchase price of the things that we buy we don't see—but we do pay them both, only to find that there just isn't enough left to buy the things we need.

As long as we insist on government hand-outs, here and overseas, we should also remember that this means government hands going into our pockets. This is the reason that all of the wage increases never seem to be enough, why all of the price increases never seem to be enough. Only real cuts in taxes will ever make our paychecks big enough, will ever make our prices profitable. Either we spend our money ourselves or we let the government spend it for us. It can't be both ways. Tell your Congressman which way you want it.

J. KEENER KAHN

Chicago, Ill.

Training Diplomats

Editor, The Wall Street Journal:

In the past six years war colleges have been turning out junior officers by thousands and quite a few resign after getting a free education.

As wars are usually brought about by diplomats, why not convert one or more of these schools to diplomatic training, entrance to be on the basis of the highest marks from other schools and not by political appointment?

Fort Myers Beach, Fla.

CY HASTINGS

Disarmament Box

U. S. Now Fears Soviet Propaganda Tricks But Dreads the Onus of Ending the Talks

BY JOHN R. GIBSON

WASHINGTON—In the London disarmament talks the United States is finding it has a Russian bear by the tail; it doesn't know how to let go.

If the U. S. moves to end the discussions it invites a propaganda blast from the Soviets for being "against peace." However, the Russians are in a similar fix if they make the first move. So the chances are the talks may drag on for a long time—maybe a year or two—without necessarily producing any agreement.

Behind this prospect is a new U. S. assessment of the negotiations. Limited optimism has given way to considerable pessimism. "There's a chance we'll get something," says one American official, "but it doesn't look good."

The earlier hopes were based largely on the fact that this time the Soviets did not seem to be using a disarmament conference merely as a propaganda rostrum. Now, ironically enough, the U. S. fears the Russians may be mainly interested in propaganda after all. It's thought they may be aiming to maneuver the U. S. and its Western allies into breaking off the talks or else into seeming to block disarmament progress as the sessions stumble on more or less interminably.

There are various ways the Russians might try to work the West into a box. They might, for instance, accept the Western disarmament plan—which U. S. Delegate Harold Stassen is still unfolding in London—"in principle" while leaving details dangling. To thwart this kind of tactic, Secretary of State Dulles wants a group of disarmament experts to begin work in London right away on the intricate details.

Gambit on Germany

Another possible Red gambit would be to agree, again "in principle," and then demand a meeting between West German Chancellor Adenauer and East German puppet Premier Grotewohl, on the ground that both parts of Germany are concerned in any disarmament scheme while neither is represented at the current conference.

If Adenauer refused, the West would undoubtedly take a propaganda lacking for refusing to cooperate on a Red peace plan. But if Adenauer agreed, he would in effect be giving recognition to East Germany, which the West naturally does not consider an independent country. The Soviets, for their part, want West Germany to recognize and then negotiate with East Germany on unification.

Still another possibility is that the Soviets might request talks between the North Atlantic Treaty Organization and the Red satellite organization, the Warsaw Pact, ostensibly to work out disarmament inspection details. The West would prefer to refuse such an invitation because the Warsaw Pact is simply a puppet group not at all comparable to the N.A.T.O. alliance of free nations.

By extending the London talks without really trying to reach agreement, the Russians would also stand to gain from Western splits on disarmament policy. And such family squabbles are almost sure to crop up again.

Seeds of Disputes

Thus the West Germans, the French and the Dutch don't want to subscribe to any pact that would look as if it were permanently splitting Europe along an arms inspection dividing line. Britain opposes too early a halt in production of nuclear material for atomic weapons because it doesn't have a large enough stockpile. France harbors ambitions of developing its own atomic weapons soon and won't agree to any halt in nuclear tests without a sure-fire ending of production in all countries.

Such are some of the Soviet propaganda potentialities: worrying American diplomats. As their worries mount, their expectations for any substantial disarmament agreement decrease.

The once-promising talks among the U. S.,

Russia, Britain, France and Canada began in March. For more than a month Mr. Stassen has been explaining the Western plan to the Russians. During and before these weeks the U. S. has had an even more tortuous experience in working out details of the plan with our N.A.T.O. allies.

The complicated Western plan interlocks a group of provisions that U. S. negotiators insist must be accepted as a package to be worth anything. The proposal calls for first-step cuts in the armed forces of the U. S. and Russia to 2.5 million men and lesser reductions for other countries. A similar "first slice" is proposed for regular armaments such as tanks, ships and heavy artillery. As a third point, U. S. negotiators say that talks must be started aimed at holding rockets, earth satellites and other space missiles to peaceful uses.

Crucial Points

But the most important points to the West are the two apparently least likely to be accepted by Russia. They deal with nuclear weapons and air-ground inspection of territories on both sides of the Iron Curtain. In the atomic field, Mr. Stassen has proposed a 10-month experimental ban on tests of nuclear weapons and an inspected halt in production of nuclear weapons from newly-refined fissionable material.

Mr. Dulles himself outlined the newly hammered-out aerial-ground inspection scheme in London. It's aimed at detecting any preparations for surprise attack and so reducing war fears. Mr. Dulles said that if the Soviet Union would let Western inspectors tour Iron Curtain lands, the West would open up Canada and the U. S. and most of Western Europe to Red inspectors. He also proposed inspection of a smaller area on each side, in case the Soviets don't go for the broader plan.

Since Mr. Dulles unveiled the inspection proposal, however, Red propagandists from Soviet Communist party boss Khrushchev on down have been beating a steady drumfire of attack on it.

In London, Soviet Delegate Zorin is asking many questions about the inspection plan, which could be a prelude to acceptance. But more likely, it's believed, the questions could simply be a way of extracting information on which the Communists could make a more reasoned rejection of it. Mr. Zorin, at any rate, gave Mr. Dulles no encouragement during a half-hour of blunt talk the two diplomats had in London.

Cautious Zhukov?

Apart from the propaganda possibilities, U. S. officials can only speculate as to why the Soviets are taking this tough line. One hypothesis is that Khrushchev feels he has to convince any doubters at home that he isn't going soft toward the West. Another is that Marshal Zhukov, now considered the second most powerful man in Russia, may be cautioning against anything that might weaken the Red Army.

What puzzles the U. S. diplomats is that Russia, in their opinion, still has its own good reasons for wanting a disarmament agreement. These include pressures from the Russian people for better living conditions, a serious manpower shortage and the mounting costs of modern war. Yet Khrushchev seems bent on blocking any real disarmament pact.

If that is in fact his intention, though, he can't achieve it simply by pulling his negotiators out of the London talks. That would be bad propaganda for the Soviets, just as it would be for the U. S. if this country took the initiative in calling off the discussions.

In that situation, and barring some irreparable split with the allies, the U. S. intends to keep the party going at all costs. Promises one diplomat: "Russia will have to propose a recess; we won't." So the outlook seems to be for a long stalemate until one side or the other figures out a safe way to let go.

Themes and Variations

Through Film, Darkly

Stock market tip: Buy Eastman Kodak, Bell & Howell, DuPont or any other company in the amateur picture business.

This bit of advice in a pallid stock market is not, we hasten to say, based on any inside information from the corporations. It's just that for some 5,000 miles we have lately been mingling with their customers. And if there's one impression that stands out it is that the millions of U. S. tourists don't travel to absorb culture, acquire knowledge or take in the sights. They travel to take pictures.

Rolling westward on the luxurious California Zephyr, high in the VistaDome car, you find the Moffat Tunnel not a marvel of engineering but a problem in light filters. The few travelers who might admire the marvel can't see it through the backs of the photographers.

Around the rim of the Top of the Mark, San Francisco bay, so they say, is a sight to behold. One moment you have a breath-taking view and the next you are enveloped in a whiteness of scudding fog. In theory it's all available for the price of an aperitif. In practice you wait, thirsty, while up-ended cocktail glasses are used as tripods and this patient breed of men experiment with the aperture.

Bored Bears

The bus from Banff promises you a leisurely visit to Emerald Lake, high in the Canadian Rockies and just below the glacier. But you arrive late: there have been three unscheduled stops, two to catch imperishable views of bored bears, one to let a charming lady get a picture of the bus on a hairpin turn. So the lake becomes a "comfort stop" and the bus driver, an old hand, speeds things up with hurried advice on how best to catch green water against a snowy backdrop.

All this is exciting for the Messrs. Eastman, DuPont and colleagues. While there may be some sag in the demand for copper, electric toasters and cold rolled sheets of steel, there's plainly none in the demand for rolled sheets of coated film. But it's a bit unnerving for travelers who go to see and fill up memories rather than albums. And it ought to be disturbing to philosophers.

The humanistic philosophers hold that travel stretches the mind and broadens the spirit. When man leaves the narrow orbit of his accustomed world, and visits among high mountains, lovely lakes, great cities and strange peoples he is supposed to enrich himself with new knowledge. A new knowledge of beauty, for one thing; for another, a new knowledge of the way other men live and what they have done with a different environment.

The social philosophers hold that travel brings the world together. The Bostonian who views the great wheat plains of the Middle West; the Texan who finds there's a lot of country east of the Mississippi; the Californian who tours the country of Shakespeare or the galleries of the Louvre; all these people—or so the sociologists hold—come home with broader understanding of their fellow man. Moreover, the natives who stay at home to entertain the visitors also learn that not all foreigners have horns. All this is supposed to be good for the peace of the world and the future of the United Nations.

From View to View

There is, one begins to suspect, not a word of truth in any of it. The trouble with philosophers is that they are more apt to stay at home and think than to get out and observe.

The truth is that there are practically no travelers left; just camera addicts moving from one view to another like alcoholics hopping from bar to bar. They've no time for the rhythmic beauty of the Indian dance; they're too busy whirling dials to stop the action in full color. No time to take in the grandeur of the great canyon; too busy fretting with the problem of perspective. No time to talk with the grizzled cowman; there's barely time before the bus leaves to put his quaintness on a transparency.

For 5,000 miles of being bumped, shoved, tromped upon and blocked by these swarms of George Eastman, we'll have no more of the philosophers of travel. And to add to our temper, our own films won't be ready for another 10 days yet.

—VERMONT ROYSTER

House Votes Bill to Help Smaller Airlines Buy Planes

WASHINGTON—The House passed and sent to the Senate a measure to make it easier for subsidized airlines to buy new planes.

The bill, approved by voice vote, would allow these airlines to use capital gains from sale of existing aircraft in order to buy new equipment without any effect on their airmail subsidy payments.

The Administration endorsed the bill, and airline spokesmen told Congress it was urgently needed to help smaller airlines buy expensive, new equipment and get rid of obsolete planes. None of the major domestic trunk airlines now gets subsidies.

THE WALL STREET JOURNAL

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PRESIDENT — EDITOR

Thursday, August 15, 1957

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Fischer & Porter Sees Higher Net in Fiscal '58

By a WALL STREET JOURNAL Staff Reporter

HATBORO, Pa.—Sales of Fischer & Porter Co., should reach \$18 million during the current fiscal year, and after-tax net income "might" be about 5% of sales, or \$900,000, Kermit Fischer, president, said at the annual meeting.

PEPPER....and Salt

Mother Goose Up-Dated

Like old Mother Hubbard I went to the cupboard And found that the cupboard was bare.

So our dog Ebenezer Got fed from the freezer— These days all the food is kept there.

—Hal Chadwick.

Half-Time

In a pre-school class at Sunday School was the four-year-old son of the high school football coach. One Sunday, after Sunday school, the teacher asked him if he was going to stay for church.

"No," he replied, "we're going home at the half."

—Capper's Weekly.

Concealed Thoughts

Certain business expressions are like icebergs: there is much more concealed beneath than is revealed on the surface. For instance: "Unaccountably delayed."

"We fired that fatheaded girl, but we're still looking for where she hid those blasted order forms of yours."

"Must ask you therefore to be patient a short time longer." — Darned sorehead, trying to rush us.

"Your valued patronage!"

"We never made a dime out of this account anyway, amount of service he always wants."



"Of course I remember who played the lead in 'Dancing Daughters' but you didn't expect me to admit it."

"Regret that a salary increase is not possible at this time" — We may be short-handed, brother, but we're not that short yet.

"We will certainly give it due consideration"—It got its due all right, a trip to the waste basket.

Air Force Grants \$139.3 Million Order to Boeing

Contract Calls for Quantity
Output of Bomarc Missile
For Anti-Aircraft Use

Weapon Boasts Broad Range

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON—The Air Force announced it has placed a \$139.3 million contract for quantity production of Boeing Airplane Co.'s IM-99 Bomarc anti-aircraft missile, capable of carrying a nuclear war head and knocking down enemy bombers flying at "extreme" altitudes.

The big contract, designed to supply the Bomarc to Air Force operating units for the first time, includes a small initial contract totaling \$7,109,195 announced in May and designed to get initial production under way at Boeing's Seattle plant, the Air Force said.

The total \$139.3 million contract, it added, will be financed with funds already on hand that were carried over from the fiscal year that ended June 30.

Bomarc's Performance

Details of the Bomarc's performance are secret, but it is said to have a range in the neighborhood of 250 miles and a speed of over 1,400 miles an hour.

Installation of the missile in operational units, the Air Force said, will permit the knocking down of enemy aircraft at a far greater distance from American cities than any other missile presently used in air defense.

Weighing about 15,000 pounds and standing 47 feet high before launching, the Bomarc has a wing span of about 18 feet. It is powered initially on take-off by a rocket engine built by Aerojet-General Corp., an Azusa, Calif., division of General Tire & Rubber Co. Once speed is attained, two air-breathing ram-jet engines, made by Marquardt Aircraft Co., Van Nuys, Calif., take over.

The Bomarc represents the Air Force's first major venture into a missile using the ram-jet engine, which differs from a regular jet engine in that it has no spinning turbine blades to compress the atmosphere before it is combined with fuel, ignited, and thrust out the exhaust pipe to provide motion.

Workings of Ram-Jet

In the case of a ram-jet, the compression is supplied entirely by the high-speed impact of the engine's intake with the atmosphere at speeds over 1,000 miles an hour. Because of these characteristics, a ram-jet plane or missile cannot take off from the ground without assistance from some other type of motor.

Another ram-jet missile, the intercontinental Navaho, under development by North American Aviation, Inc., was recently canceled by the Air Force for economy reasons.

The Bomarc is the second air-breathing missile to be ordered in quantity by the air arm. Recently the service awarded Northrop Aircraft, Inc., Hawthorne, Calif., a \$73 million contract for initial production of the intercontinental Snark missile, which is powered by a J-57 jet engine built by Pratt & Whitney Aircraft division of United Aircraft Corp.

LEADING HITS of BROADWAY

"SWEETHEART OF A MUSICAL COMEDY"
—Kerr, Herald Tribune

JUDY HOLLIDAY in
BELLS ARE RINGING
A NEW MUSICAL
SHUBERT THEATRE, 228 W. 44th St., CI 6-5900
Evenings 8:30. Mats. Wed. & Sat. 2:30

BWAY'S LONGEST RUNNING HIT—3rd Year:

DAMN YANKEES
THE SMASH HIT MUSICAL
AIR-COND. ADELPHI THEATRE, W. 54th St. JU 6-3787
Evenings at 8:30. Mats. Wed. & Sat. 2:30

"ETHEL MERMAN ROCKS BROADWAY
IN HAPPY HUNTING"
—Johnson, Times

ETHEL MERMAN in
HAPPY HUNTING
FERNANDO LAMAS
AIR-COND. MAJESTIC, W. 44. Mats. Wed & Sat.

"ONE OF THE BEST MUSICALS OF
THE CENTURY."
—Johnson, Times

EDWARD MULLHARE AND JULIE ANDREWS
IN CRITIC'S PRIZE MUSICAL
MY FAIR LADY
Mail Orders Filled, Even. 8:30; 12:55, 7:55, 8:30,
8:55, 4:55, 2:30. Mats. Wed. & Sat. 2:30;
\$4.50, 4:05, 3:45, 2:30, 2:50. Tax Incl. List alter-
nate dates.
AIR-COND. MARK HELLINGER, 51 St. W. of B'ys

"HIT Musical"—Columbus Mirror

GWEN VERDON
THELMA RITTER
in the New Musical
NEW GIRL IN TOWN
AIR-COND. 48th ST. THEATRE, W. 48 St. CI 6-4271
Even. at 8:30. Mats. WED. & SAT. at 2:30

"HIGHLY AMUSING COMEDY"—Barron, A.P.

TOM EWELL in
THE TUNNEL OF LOVE
DARREN MCGAVIN KAYE LYDER
AIR-COND. ROYAL, 242 W. 45 St. CI 6-8780
Even. at 8:40. Mats. WED. & SAT. at 2:40

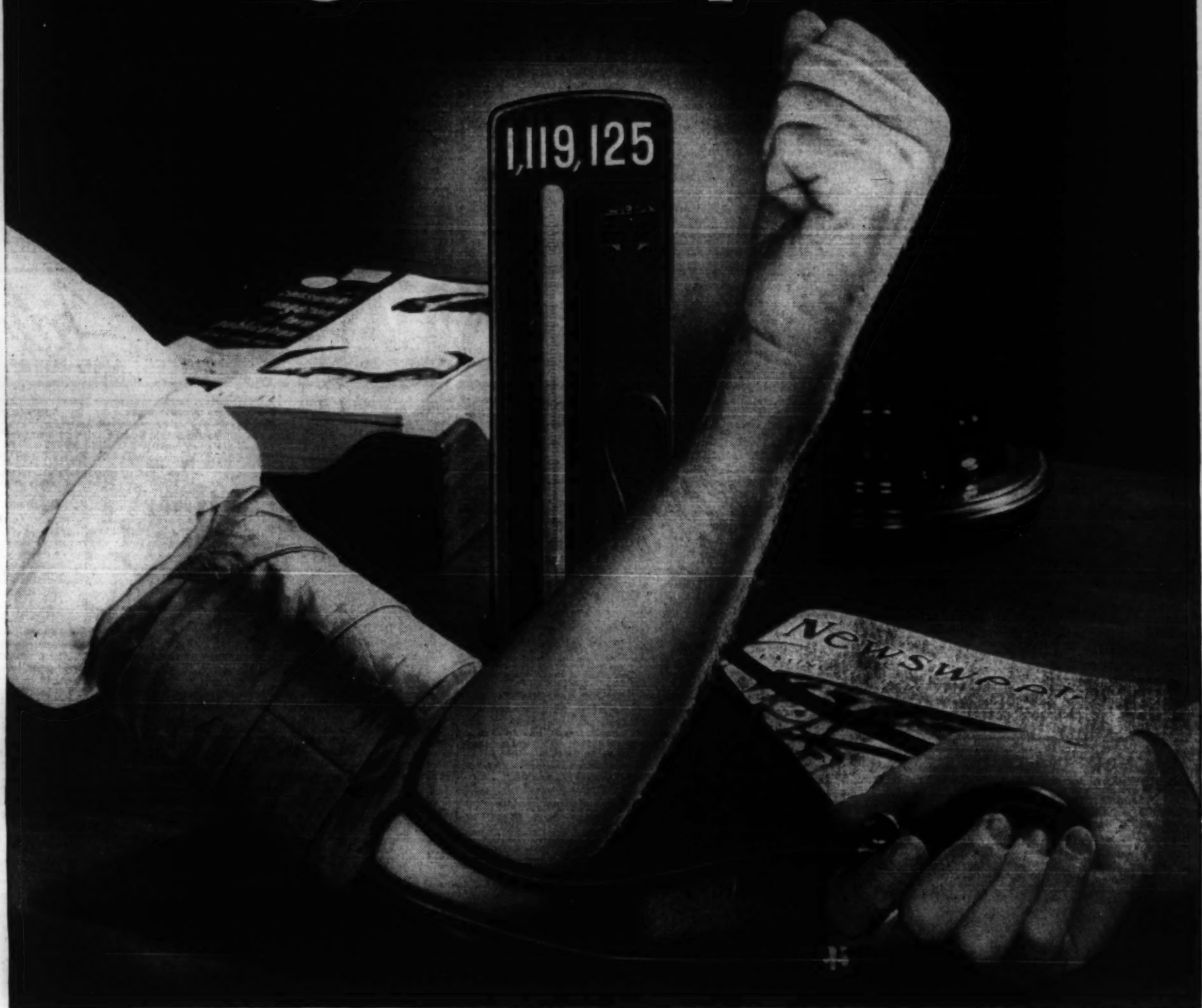
ADVERTISEMENTS

TODAY 2 P.M. 8 P.M. Carl & DeMille's
The Ten Commandments
CRITERION
9th Avenue & 34th St. AD 3-1700 • AD 2-1800
EXTRA SHOW SAT 9:30 A.M.
Children 1/2 Price at All Times

RADIO CITY MUSIC HALL
Rockefeller Center • CI 6-4000
FRED ASTAIRE • CYD CHARISSE
in "SILK STOCKINGS"
New Co-Starring JAMES PANG • PETER LORRE
As Well as in Broadway and Hollywood
and SPECTACULAR STAGE PRESENTATION

NEW YORK GIANTS
POLO GROUNDS
BROOKLYN VS. GIANTS
TODAY—1:30 PM
Western invasion begins Aug. 20
2 Games—Tw—Night—St. Louis—8:30 PM

Circulation without high blood pressure



Newsweek's com·mu'ni·ca'tive audience...growing even faster in quality than quantity

In the competition for audiences by all media, numbers are not necessarily the only gauge of value.

Take the case of NEWSWEEK. Its circulation policy—like its editorial policy—has been aimed consistently at quality. And, as advertisers have pointedly mentioned, NEWSWEEK accomplishes its circulation gains before announcing them. Here is the 5-year record of NEWSWEEK circulation gains:

	Circulation Rate Base	Circulation Delivered
1952	800,000	875,071
1953	800,000	922,597
1954	900,000	1,001,069
1955	1,000,000	1,056,537
1956	1,000,000	1,077,478
1957 (1st 6 mos.)	1,050,000	1,119,125*

*As filed with the Audit Bureau of Circulations, subject to audit.

A sound growth—but beyond these numbers is the all-important story:

94.9% of these people are concentrated in business, industry, government and the professions. 65.4% of them are administrative or operating executives in business and industry, and two out of three NEWSWEEK families have incomes over \$7,500.

Newsweek is edited for
com·mu'ni·ca'tive people

NEWSWEEK readers are people of stature and decision, and are communicative people, as well . . . those with the dynamic capacity for influencing the opinions and actions of others in their home, business, social and community relationships.

Independent studies show this communicative quality of the NEWSWEEK readership. For instance, Sindlinger & Co. found that NEWSWEEK has more readers per copy (5.6) than any other magazine studied.

Add it all up: circulation growth plus quality—a communicative audience that passes along ideas as well as its magazine—and you can readily understand why NEWSWEEK has surpassed all general weekly magazines in advertising page gains during the first six months of this year.

Newsweek...

the magazine for com·mu'ni·ca'tive people



Thursday, August 15, 1957

General Public Utilities Expects Higher Profits From U. S. Operations

President Also Predicts Increase
In Consolidated Operating Net;
First Half Earnings Rose 5.8%

By a WALL STREET JOURNAL Staff Reporter
NEW YORK — General Public Utilities Corp. expects earnings from its operations in the U. S. to increase to around \$2.60 a share this year, from \$2.50 a share in 1956, and its consolidated earnings including its Philippine properties to increase to about \$3.15 a share this year, compared with \$3.05 in 1956.

The forecast was made by A. F. Tegen, president, in G.P.U.'s quarterly report to shareholders. He predicted the higher earnings would be realized despite an increase in common stock outstanding from 9,702,752 shares in 1956 to 10,349,602 shares this year.

Mr. Tegen said his prediction was based on the utility's higher earnings during the first six months of this year. The report showed G.P.U.'s domestic earnings had increased 5.8% to \$19,983,525 in the first six months of 1957, up from \$19,211,383 in the first half of 1956. G.P.U.'s consolidated earnings showed a 4.6% increase to \$16,794,127 in the first half of this year, up from \$16,060,768 in the like period last year.

Mr. Tegen also told shareholders of a plan

that will be submitted to them at the next annual meeting calling for an amendment to the company's charter to insure that all small shareholders will benefit from future rights to buy additional shares of G.P.U. stock.

At the present time, Mr. Tegen said, G.P.U. does not issue rights to stockholders who are not entitled to acquire at least one new share of stock. Instead, the company sends them a check for the cash equivalent of their rights. Under the new plan, this procedure would not receive enough rights to buy at least five additional shares would receive the cash value of these rights instead.

GENERAL PUBLIC UTILITIES CORP. and all subsidiaries report for six months ended June 30, 1957 and 1956

Operating revenue of subsidiaries...
Operating revenue of subsidiaries...
Operating revenue of subsidiaries...

Adjusted, b-Applicable to investments of the corporations after subsidiaries' taxes, interest, preferred dividends, etc. c-After taxes and charges of the corporation.

American Colortype
AMERICAN COLORTYPE CO. reports for six months ended June 30:

Sales...
Net income...
For quarter ended March 31, last, net loss was \$41,125, compared with net loss of \$68,199 in like period of preceding year.

American Colortype said: "A new heat-treated press, involving an investment in excess of \$1 million will be placed in operation during the second half of this year, and that this together with other operations should result in a year end of increased sales and an annual net operating profit."

Trav-Ler Radio Had Net Loss of \$370,736 In April Fiscal Year

By a WALL STREET JOURNAL Staff Reporter
CHICAGO — Sales of Trav-Ler Radio Corp. and wholly-owned subsidiaries for the fiscal year ended April 30, 1957, totaled \$13,045,460 and net loss was \$370,736, Joe Friedman, president and treasurer, said at the annual meeting.

Inasmuch as the company changed from a calendar to a fiscal year in 1956, there are no direct comparative figures available for the previous year. In 1955, the firm reported net sales of \$17,497,351 and a net income of \$222,982 equal to 29 cents earned per share on the 761,995 capital shares then outstanding.

Commenting on the loss, Mr. Friedman noted that the entire television industry suffered from production exceeding sales. He told stockholders at the annual meeting that because many companies discontinued TV operations and dumped inventories on the market at prices lower than production costs, "We are bucking unrealistic competition."

Bangor & Aroostook
BANGOR & AROOSTOOK RAILROAD reports for six months ended June 30, 1957 and 1956

Cash...
Operating revenue...
Operating revenue...

Howard Stores Sales
HOWARD STORES CORP. reports for six months ended June 30, 1957 and 1956

Sales...
Net income...
For quarter ended March 31, last, net loss was \$1,700,202, compared with net loss of \$1,700,202 in like period of preceding year.

Electronics Corp.
ELECTRONICS CORP. OF AMERICA (continued)
Reports for six months ended June 30, 1957 and 1956

Operating revenue...
Operating revenue...
Operating revenue...

Virginian Rwy.
VIRGINIAN RAILWAY reports for six months ended June 30, 1957 and 1956

Cash...
Operating revenue...
Operating revenue...

McCluskey Engineers are noted for their ability to design and construct buildings to suit the particular needs of today's business operation.

Working closely with your technical staff, McCluskey can be an important addition to your New Building Construction Program.

DESIGN AND CONSTRUCTION ENGINEERS
Robert F. McCluskey Company
Highland Bldg., Pittsburgh 6, Pa.

Puget Sound Power & Light
PUGET SOUND POWER & LIGHT CO. reports for six months ended June 30, 1957 and 1956

Operating revenue...
Operating revenue...
Operating revenue...

N. Y. State Electric & Gas
NEW YORK STATE ELECTRIC & GAS CORP. reports for quarter ended June 30, 1957 and 1956

Operating revenue...
Operating revenue...
Operating revenue...

Resources Exceeded \$330,000,000
Anticipated Dividend 3 1/4% per annum

(3% regular plus 1/4% extra) for the current quarterly period, with the continuance of satisfactory earnings

Dividends Paid from Day of Deposit Four Times a Year

385 MADISON AVENUE AT 47th STREET
NEW YORK 17, NEW YORK—Murray Hill 8-3000

Member Federal Deposit Insurance Corporation

THE MANHATTAN SAVINGS BANK

"Serving the Thrifty Since 1850"

Resources Exceeded \$330,000,000

Anticipated Dividend 3 1/4% per annum

(3% regular plus 1/4% extra) for the current quarterly period, with the continuance of satisfactory earnings

Dividends Paid from Day of Deposit Four Times a Year

385 MADISON AVENUE AT 47th STREET
NEW YORK 17, NEW YORK—Murray Hill 8-3000

Member Federal Deposit Insurance Corporation

Classified Advertising

NATIONAL BUSINESS EXCHANGE FOR PERSONNEL, PRODUCTS, SERVICES, AND IDEAS

Employers and Employees Meeting Place

POSITIONS AVAILABLE—MALE

PRODUCTION EXECUTIVE

Capable of taking complete charge of all manufacturing operations, understands cost controls, able to meet competition in industry. Proven capabilities in the fields of factory, foundry, electro-mechanical and metal fabricating. Savings of over one million dollars to date exclusive of increased production and billings. Educated Columbia and New York Universities.

PLANT CONTROLLER

Experience totaling 20 years in General and Cost Accounting, System and Procedures, Inventory, etc. Last 12 years as Plant Controller. B.B.A. degree. Can reorganize and produce clear, concise results for management.

Box No. D-110, The Wall Street Journal

POSITIONS AVAILABLE—MALE

EXECUTIVE SALES

If you are a successful SALESMAN or SALES EXECUTIVE with an impressive earnings record, you may qualify for one of the several positions our unprecedented growth has created at this time.

EXECUTIVE SALESMAN

If you are a salesman between ages of 22 to 35, accustomed to selling executive products of business, a man who seriously needs and wants to earn \$10,000 to \$15,000 per year.

Box No. D-110, The Wall Street Journal

POSITIONS AVAILABLE—MALE

PERSONNEL

Rapidly expanding electronics firm needs an experienced personnel manager for division level (150 employees). Must have experience in wage-salary administration, job evaluation and job analysis. Should be familiar with personnel record systems, experienced in handling personnel problems. Will be working with both production and professional categories. Must have capability to assume increased responsibility as company and division grows.

SALES MANAGER

National beer and beverage distributor located in Northern New England has opening for man thoroughly experienced in all phases of distribution, personnel, sales, advertising and merchandising. This man must be willing to train and develop organization in the field. Salary will be negotiated. We prefer a man between 35 and 50 who has been in big league and wants to settle down in an area where life will be more pleasant. We prefer a man who has had a college education in business administration. Please write to:

Box D-110, The Wall Street Journal

POSITIONS WANTED—MALE

STEEL SALES ENGINEER

Desires responsible position with large fabricator or mill. Am Sales Manager experienced in design, estimating of reinforcing and misc. steel building products; graduate, registered.

SALES ADMINISTRATOR

Engineered sales executive, age 34. Harvard Business School training; desires position as sales administrator or assistant to top sales executive. Western Penna. area preferred.

Box C-106, The Wall Street Journal

POSITIONS AVAILABLE—FEMALE

STATISTICAL TYPISTS \$75

Expd. 38 hr week, 13 paid holidays. Liberal vacation, pension plan, employee benefits; pleasant surroundings. Management consultant firm.

345 Hudson St., N.Y.C., 17 Fl.

WALKINS 4-6400, Ext. 99

7 Ave. IRT Subw., Houston St., Sta. 6 & 8 Av. IND Subw., Spring St. Sta.

POSITIONS AVAILABLE—MALE

EXECUTIVE SALESMAN

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SALES ADMINISTRATOR

Engineered sales executive, age 34. Harvard Business School training; desires position as sales administrator or assistant to top sales executive. Western Penna. area preferred.

Box C-106, The Wall Street Journal

SALES REPRESENTATIVES

NEED NOW

for all new National Sales Force to develop a Promotional Plan with a most unusual, new and needed Home Improvement Items. Dealers and our more than 200 established Distributors. Rare opportunity to be on the ground with tremendous potential. High income, pleasant relations, security and permanency for qualified men with best references.

Box D-92, The Wall Street Journal

911 Young Street, Dallas, Texas

ENGINEER

SALES

Manufacturer of magnetic core memories, core buffers, data translators and other special purpose digital systems wants experienced man to handle Eastern sales. Engineering degree required. Send complete resume to:

Box 24-V, The Wall Street Journal

2000 W. 6th St., Los Angeles 5, Calif.

RADIO ENGINEER

Position offers real opportunity and wide field of service. Applicants should have degree in Electrical Engineering, a State license as professional engineer, well-rounded background in theory and application of radio in field of telephony and working knowledge of P-C-C radio rules and regulations. Complete resume of education and experience should be submitted to:

United States Independent Telephone Association

435 Pennsylvania Building, Washington 4, D. C.

WANTED: Young man with engineering background in wire drawing and wire industry familiar with aluminum and desiring change to sales work. Full salary, all traveling expenses, and office furnished. Short training program. Location—New York area. Age 23-25. Contact with age, education, and complete experience.

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American Ship Building
Blames Expected Fiscal
'57 Loss on Navy WorkCompany Says Completion of Two
LSTs Will Result in \$900,000
Deficit on That Contract

By a WALL STREET JOURNAL Staff Reporter

CLEVELAND—American Ship Building Co., a 55-year-old leader in the Great Lakes ship building industry, has run into foul economic weather resulting from losses on a Navy contract.

Though details were sparse and company officials were unavailable yesterday for questioning, American Ship Building sent a letter to stockholders, telling of the expected loss on a partially-completed contract to build two Navy LSTs of a new type.

[In Washington, the Navy declined to discuss why and how the losses were incurred or what the details of the contract are. It said its policy is not to disclose contract relations with various companies.]

The letter to stockholders said the company expected that for the fiscal year that ended June 30, 1957, it will report a "substantial overall loss." It marks the first time in the post-World War II period that the vessel construction and repair firm has run in the red. In fiscal 1956, American Ship Building had net profit of \$617,397, or \$5.62 a common share.

In the post-war period, its earnings have ranged from \$146,065, or \$1.32 a share, in fiscal 1955, to as high as \$1,067,658, or \$9.73 in fiscal 1952, a Korean War year.

The letter said the loss in the 1957 fiscal year would come about in this way: From operations in the 1957 fiscal year, the company would show a "nominal" profit, after absorbing some losses from the Navy contract, which is about half completed. But from June 30, 1957, to completion of the LST contract about a year from now the estimated loss on the contract will amount to about \$1,800,000. This will be reduced by tax credits resulting from carry-back provisions of the income tax laws so that the net estimated loss on the contract will be approximately \$900,000.

Loss for Fiscal '57
This net amount will be shown in the 1957 fiscal year annual report as an extraordinary charge against income for that year. Because of this extraordinary charge, the 1957 fiscal year will show a "substantial overall loss."

"A more detailed statement in respect to this situation will be sent in connection with the annual report and notice for the annual shareholders meeting," the letter said. The letter also said that the situation was disclosed to a board of directors meeting Tuesday. The company made the letter to stockholders public at noon yesterday.

American Ship Building stock has declined 18 points in the past two days on the New York Stock Exchange. Shares opened at 83½ on Tuesday and closed at 75, down 10. Yesterday, American Ship Building shares opened at 74½ and closed at 67, off 8.

News of the loss came as a surprise in Great Lakes shipping circles. There were some reports yesterday that R. B. Ackerman, president, might be asked to step down because of the Navy contract loss. But this could not be confirmed from any company sources. At his office, Mr. Ackerman's secretary said he was out of town, and she didn't know where he could be reached.

What Went Wrong?

What went wrong with the contract? No explanation was offered by the company in its letter to stockholders. Shipping circles specu-

lated the company may have run into unforeseen problems in building the ships, which reportedly carried a total contract price of around \$18 million.

The contract was obtained at competitive bidding for the LSTs, which are approximately 450 feet long. The prototype of the vessel, it is understood, has been completed at the Boston Navy Yard and six others of the type are under construction, including the two at American Ship's Lorain, Ohio, yards. One marine man said it might be possible for the company to obtain some reimbursement for losses sustained since the vessel was of a new type. He figured the Navy was under no such obligation, but had done so in the past.

Last June 22, over 2,000 people attended a ceremony at Lorain, where the first of the vessels, the U.S.S. Lorain County, was christened by Mrs. A. D. Baumhart, Jr., wife of an Ohio Congressman.

Big Backlog Reported

Reportedly the company has a big backlog of shipbuilding and repair and reconstruction

work on its books. Earlier this year a company official reported these unfilled orders totaled around \$40 million, including the Navy contracts.

American Ship Building was organized in 1909 by a combination of nine independent shipyards in the Great Lakes area. Recently the company estimated nearly 1,000 ships have been built by the company. Principally, it has constructed vessels for Great Lakes traffic but also has built ocean-going vessels and a lot of small war vessels for the Navy, especially during war periods.

Great Northern

GREAT NORTHERN RAILWAY reports:			
	1957	1956	1955
a-Earnings per share	\$2.18	\$2.03	\$2.37
July gross	\$6,877,944	\$7,062,389	\$6,167,579
Net oper. income	2,386,700	1,688,972	3,115,430
b-Net income	1,898,531	1,099,443	2,637,682
Seven months gross	\$18,777,130	\$19,885,582	\$16,818,500
Net operating income	13,516,780	12,552,578	13,626,603
b-Net income	12,732,291	12,281,596	12,769,512
Capital shares	6,070,321	6,056,391	6,009,743

a—For seven months ended July 31. b—After taxes and charges.

American-Marietta Acquisition

CHICAGO—American-Marietta Co. has acquired Booty Resinators, Inc., Newark, Ohio, through an exchange of stock. Terms of the acquisition were not disclosed.

Booty Resinators manufactures synthetic resin adhesives, laminating and molding res-

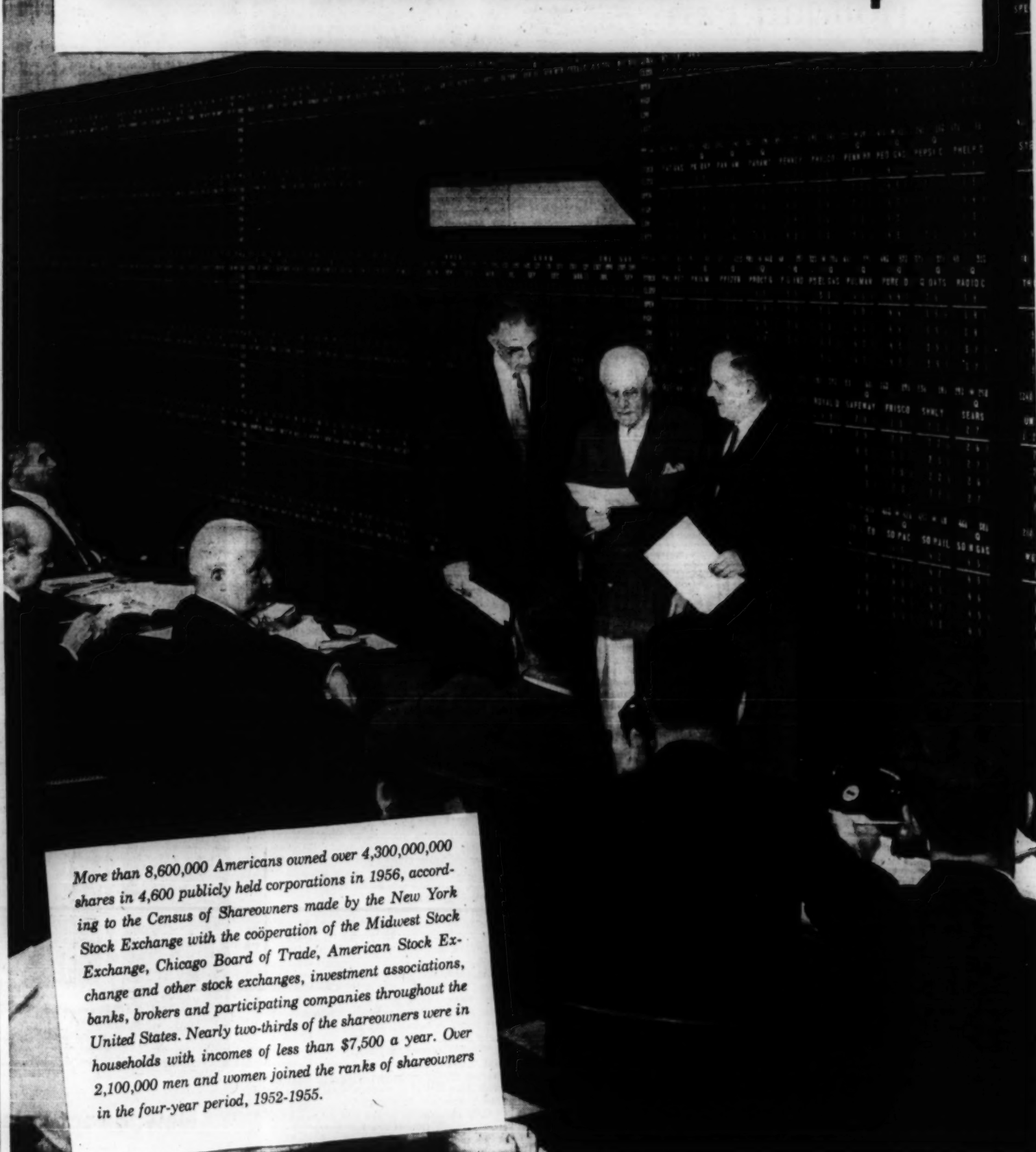
ins, mineral wool binders, foundry core binders, textile finishes and plastic coating compounds. Sales are "in excess" of \$5 million annually. American-Marietta makes paint, among other products.

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Partial view of Thomson & McKinnon Board Room, 231 S. LaSalle St., Chicago

More than 8,600,000 Americans owned over 4,300,000,000 shares in 4,600 publicly held corporations in 1956, according to the Census of Shareowners made by the New York Stock Exchange with the cooperation of the Midwest Stock Exchange, Chicago Board of Trade, American Stock Exchange and other stock exchanges, investment associations, banks, brokers and participating companies throughout the United States. Nearly two-thirds of the shareowners were in households with incomes of less than \$7,500 a year. Over 2,100,000 men and women joined the ranks of shareowners in the four-year period, 1952-1955.

**C Controls Company
of America
reports**

EARNINGS UP 30 PER CENT
IN FIRST SIX MONTHS

The sharp rise in earnings in the first half is due largely to operating economies and improved methods, the introduction of new products and increased emphasis on the company's more profitable product lines.

Sales were up 5 per cent to \$14,446,658 from \$13,767,979. We have a number of new products now in production which we believe will add to our sales volume in the near future.

The outlook for operations in the second half indicates continuation of the favorable trend experienced in the first six months of 1957.

SUMMARY COMPARISONS
for the six months ended June 30

	1957	1956
Net sales	\$14,446,658	\$13,767,979
Income before taxes	1,230,515	880,033
Taxes on income	651,804	436,898
Net income	578,711	443,135
Shares outstanding	618,748	614,161*
Net income per share	.94	.72

*Adjusted to give effect to 2% stock dividend paid March 15, 1957

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CONTROLS that make modern living possible

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President Backs Ruling To Let Eastern Air Fly New York-Mexico Run

OAB Turned Down Competing Bid From Pan Am; Tourist Travel From East Coast Cited

WASHINGTON—President Eisenhower approved a Civil Aeronautics Board decision granting Eastern Air Lines, Inc., a temporary license to begin flying non-stop from New York City and Washington, D. C., to Mexico City immediately.

The ruling rejected a competing bid for the route by Pan American World Airways, Inc. A C.A.B. examiner last April suggested the board award the route to Pan Am.

The board, which advises the President on international air cases, split three to two in giving the nod to Eastern. The C.A.B. majority stressed that because tourist travel is predominant in the East Coast to Mexico air service, Eastern's proposed flights, with "turn-arounds" at each end, are best suited to serve potential traffic on the route.

The majority noted Eastern has held a C.A.B. permit to operate between New York of Washington and Mexico City via New Orleans for 10 years but was unable to serve the route until Mexico authorized it last month. The majority also declared Eastern's experience on the New York to Florida tourist run has supplied the line with important background for the new route.

Pan Am, the board majority stated, proposed to use New York and Washington as immediate stops on the New York-Washington-Mexico City route. Under the schedule arrangement, the majority contended, "the bulk of the traffic would be getting less convenient and dependable service than that which Eastern proposed."

But the board minority asserted Pan Am was the likeliest American line to recapture "a large portion" of the New York-Washington-Mexico City market which is now served chiefly by foreign-flag carriers. The minority further noted Pan Am had planned mixed first-class and tourist flights on the same plane while Eastern proposed first class service from New York and tourist flights from Washington.

Eastern's permit will lapse on June 30, 1959, upon expiration of a bilateral air transport agreement between the U. S. and Mexico signed last month. Under the pact, the governments agreed to designate one of their air carriers to operate over one of seven major routes between the two nations. Mexico has appointed Aerovias de Mexico to fly between Mexico City and New York-Washington but C.A.B. has not yet approved the line.

Of the six other routes, the board is still studying applications for the Chicago to Mexico run. American Airlines and Braniff Airways are competing for that route.

Minnesota Mining & Mfg.
MINNESOTA MINING & MANUFACTURING CO. and subsidiaries report for quarter ended June 30:
1957 1956 1955
a-Earnings per share \$6.00 \$5.54 \$4.51
b-Net income \$1,107,387 \$1,048,886 \$1,045,381
c-Operating revenues \$1,107,387 \$1,048,886 \$1,045,381
d-Net before income taxes \$1,107,387 \$1,048,886 \$1,045,381
e-Net income \$1,107,387 \$1,048,886 \$1,045,381
f-Common shares 1,107,387 1,048,886 1,045,381
g-Twelve months ended June 30:
a-Earnings per share \$11.77 \$11.06 \$9.56
b-Net income \$1,107,387 \$1,048,886 \$1,045,381
c-Operating revenues \$1,107,387 \$1,048,886 \$1,045,381
d-Net before income taxes \$1,107,387 \$1,048,886 \$1,045,381
e-Net income \$1,107,387 \$1,048,886 \$1,045,381
f-Common shares 1,107,387 1,048,886 1,045,381
g-After preferred dividend requirements, b-Adjusted to reflect stock split in May, 1956.

Cleveland Electric
CLEVELAND ELECTRIC ILLUMINATING CO. and subsidiaries report for quarter ended June 30:
1957 1956 1955
a-Earnings per share \$3.55 \$3.54 \$3.53
b-Net income \$1,107,387 \$1,048,886 \$1,045,381
c-Operating revenues \$1,107,387 \$1,048,886 \$1,045,381
d-Net before income taxes \$1,107,387 \$1,048,886 \$1,045,381
e-Net income \$1,107,387 \$1,048,886 \$1,045,381
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g-After preferred dividend requirements, b-Adjusted to reflect stock split in May, 1956.

Financing Business

Bankers' Acceptance Dealers Hike Rates ¼-Point, 3rd Boost in Week

Need for Funds to Finance Movement of Cotton Crop Cited for Increase

By a WALL STREET JOURNAL Staff Reporter
NEW YORK—Bankers' acceptance dealers moved up their rates ¼-point yesterday—the third increase for a total ¾-point in a week—in an effort to find investors for a swelling volume of acceptances, created mainly to finance the movement of cotton.

The heavy influx of cotton bills stems from the action of the Commodity Credit Corp. requiring buyers of 1956 crop cotton held under the agency's loan storage program to arrange to pay for their lots by Friday. The C.C.C. move is part of the Administration's aim to preserve its cash position so as to avoid a rise in the statutory \$275-billion debt ceiling next January.

Bankers' acceptance dealers said they were still not certain how much of some \$400 million in cotton being acquired from the Government was being financed on an acceptance basis or on direct bank loans. "We're swamped with the paper, and there is still more to come," a harassed dealer said.

But with many banks pressed for loanable funds, the expectation was that more of the cotton will be collateralized than might otherwise have been the case.

Bankers' acceptances, for the most part, are bills covering exports, imports and domestic shipments which have been "accepted" by a bank, thus putting the bank's credit behind the purchaser of the goods. What makes acceptances useful under present conditions is that after a bank accepts a draft, it can trade it in the open market through dealers, recouping its funds.

As a result of the latest boost, the bid and asked schedule for bankers' acceptance is as follows: 30-to-90 days, 4¼% bid, 4½% asked; 120-days, 4¼% bid, 4½% asked; and 180-days, 4½% bid, 4¾% asked.

The effect of a rate increase, of course, is to raise the cost to the borrower, whose accepted bills are sold to dealers. The same margin of increase, sweetens the yield for the investor. Staying constant is the ¼-point differential between the bid and asked rates at which acceptances are discounted, representing gross income to the dealers. In discount transactions, of course, the interest deducted in advance.

In accounting for the latest ¼-point hike, raising bankers' acceptances to a new high since the early thirties, dealers also cited an upsurge in bills drawn by central Government

banks of several Latin American countries against future dollar exchange to be used to redeem the bills.

A week ago, last Wednesday, the bankers' acceptance rate was marked up ¼-point in the general advance of short-term credit costs following the raise of the "prime," or basic commercial bank rate, to 4½% from 4%. The bankers' acceptance rate moved another ¼-point last Monday.

Since late February, the C.C.C. has been negotiating sales of Government-owned cotton for export after August 16. Cotton concerns have bought about 3½ million bales of the fibre, and must put up about \$379 million cash for their purchases as of August 16, officials said.

They disclosed that some purchasers had requested permission to pay for the cotton on the installment plan, but the Government had decided to stick to the cash terms it originally announced.

California Electric Seeks To Sell Preferred Issue

WASHINGTON—California Electric Power Co., Riverside, Calif., asked the Federal Power Commission for authority to sell 140,000 shares (\$7,000,000) of \$50 par cumulative preferred stock.

The company also sought an exemption from the F.P.C.'s competitive bidding requirements. California Electric said it has already worked out a proposed underwriting arrangement with Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane. Both firms offered to underwrite the issue for a commission of 95 cents to \$1.05 a share, California Electric declared.

The company, which sells electricity in California and Nevada, says money from the offering will help pay for its \$24.2 million construction program in 1958.

Money Rates

NEW YORK—Bankers' acceptance rates on 30-to-90 day bills were quoted 4¼% to 4½%, 120 day bills are 4½% to 4¾% and the 180 day bills 4¾% to 4½%.

Federal funds bid at 3½%.

Call money lent dealers on bills and Treasuries was quoted at 4%.

Call money on stock exchange collateral was 4½% to 4¾%.

Commercial paper sold through dealers four to six months maturity was 4% to 4½%.

Commercial paper placed directly by the major finance companies one to nine months maturity was 3½% to 4%.

Jewelry Suppliers See Strong Second Half, But Retailers Aren't Sure

By a WALL STREET JOURNAL Staff Reporter
NEW YORK—Jewelry stores have better business in the second half of 1957 than they did in the like period a year ago?

Manufacturers and wholesalers who supply the stores with merchandise think so, but the jewelers themselves aren't so sure. At least that's the consensus of those interviewed at the American National Retail Jewelers Association market which closes here today.

Typifying the enthusiasm of suppliers at the show, an official of Spieglor Co., said the New York watch band maker expects business in the second half to be 30% better than a year earlier. W. Waters Schwab, president of J. R. Wood & Son, Inc., maker of Artcarved diamond rings, said: "Business should go far ahead of last year. We believe this fall's sales will be splendid."

Although he said it's impossible to forecast the retail outlook for the second half, Arnold A. Schiffman, president of the Retail Jewelers of America, said: "I don't think retailers are as optimistic as suppliers, but we're hopeful." George S. Wheelers, vice president of the Georgia Retail Jewelers Assn., said: "I don't think it's going to be any better than last year. People have so many debts they can't carry them."

Those attending the market almost invariably reported slow first half business. For instance, Carl E. Lindquist, a Rockford, Ill., jeweler, said first half sales were slightly behind the same period in 1956. Mr. Wheelers said first half sales volume had improved but "I doubt whether they increased enough to offset increased overhead."

"The real red spot in our business is the watch industry," said Harry R. Gerber, president of the American National Jewelers Retail Association. Watch manufacturers had reported first half sales from 10% to 20% behind the first six months of 1956. "Our watch business is considerably off from last year—possibly 30%," said Peter Johnson, manager of Sallion, Inc., Detroit retailer.

Prices of Recent Securities Issues

The original offering price and Street market are indicated below for recent issues of selected securities that are not listed on a principal exchange.

UTILITY BONDS			
Issues:	Price	Bid	Asked
Gen III Light 4½% '87-100.80	99½	100	
Gen IV Pow 5½% '87-102.29	103½	104½	
Gen IV Tele 5½% '87-100	101½	102	
Jer Gen P&L 5½% '87-101.563	98	98½	
Met Ed 4½% '87-101½	101½	102	
North States 5½% '87-100	101	101½	
North Wisc Pl 6½% '77-102.889	103½	104½	
N Y Teleph 4½% '91-101.758	98½	99	
Nor Sta Pow 4½% '87-100	98½	99	
Pacific G & E 5½% '89-100.798	103½	104½	
Puget S P&L 4½% '87-103.459	104½	107	
Sou Bell Tele 5½% '86-102.32	103½	104½	
Sou Cal Edis 4½% '82-100.73	100½	101½	
Sou Cal Gas 5½% '83-101.807	104½	105	
Texas El Ser 4½% '87-101.60	101½	102½	
Tenn Gas Tr 6½% '77-99	99	101½	102½
West Penn P 4½% '87-101.86	102½	103½	
Wis Tele 4½% '92-101¼	98½	99	
Sears Roeb'k 5½% '82-100	97½	98½	

OTHER BONDS			
Chance Vght 5½% '77-100	91	92	
Gen Mtrs AC 5½% '77-97½	98½	99½	
PREFERRED STOCKS			
McLouth Steel 5½% '100	99	99½	
Tung Sol 5½% '80	48½	49½	
COMMON STOCKS			
Carter Prod	22	29½	29½

Loew's Holders Form Group to Back Vogel In Fight for Control

Harry Brandt Heads Committee That Includes Burt Lancaster, Robert Benjamin and Mike Todd

NEW YORK—Formation of a Loew's stockholders Protective Committee to support Joseph R. Vogel, Loew's Inc. president, in his struggle to retain control of the movie concern was announced yesterday.

Harry Brandt, president of the Independent Theatre Owners Association, will serve as chairman of the committee. Other members include Frank C. Walker, former Postmaster General, Robert Benjamin, chairman of the Board of United Artists, Burt Lancaster, actor, Ned Depinet, president of the Motion Picture Producers, and Mike Todd, producer.

Mr. Brandt said his committee would solicit proxies for the management's slate of directors to be voted on at a special stockholders' meeting scheduled for September 12. At the meeting the Vogel forces will seek to unseat two anti-Vogel directors—Joseph Tomlinson and Stanley Meyer and expand the board to 19 seats from 13.

Mr. Brandt said, "We have been shocked by the brazen attempts of a handful of men to seize control of Loew's and we intend to go all out to block them."

A Delaware Court has temporarily enjoined Mr. Vogel from spending company money to solicit proxies for the special meeting. A hearing on this suit by a Kentucky stockholder is slated August 22.

Court Order Sought

By a WALL STREET JOURNAL Staff Reporter
WILMINGTON—A group of 67 stockholders, who said they held about 180,000 Loew's, Inc., shares, asked the Delaware Court of Chancery, for a restraining order to prevent anybody from interfering with a special stockholder meeting set for September 12.

Ralph B. Campbell of Lexington, Ky., had asked the court to bar the meeting in a suit filed this week.

In addition, 53 shareholders of the larger

group, who said they represent 57,000 shares, asked the court to declare invalid the asserted election of Louis B. Mayer and Samuel Briskin to the Loew's board.

Chancellor Collins J. Seitz signed an order allowing the stockholders to intervene in the Loew's proceedings but took no further action on their request.

Joseph Tomlinson, Loew's director and large shareholder, had previously asked the court to declare the election of the two men valid. They were named at a disputed meeting July 30 of Mr. Tomlinson and four other directors supporting him. Joseph R. Vogel, Loew's president, contends there wasn't a quorum present. He charges Mr. Tomlinson and Stanley Meyer, another Loew's director, are seeking to take control of the concern.

Largest among the shareholders to intervene in the case was Incorporated Investors, Boston, with 57,000 shares. Others were Arthur Wiesenberger & Co., New York investment bankers, 10,000 shares, and Lowenstein Foundation, New York, 28,000 shares.

Copper Shipments to Users In U. S. in July Trained 1956

NEW YORK—Producers shipments of copper to domestic consumers in July fell to 84,702 tons from June's total of 101,993 tons. They were also below the 97,698 tons shipped in July, 1956, according to the Copper Institute.

Shipments to consumers outside the U. S. in July rose to 119,215 tons from 118,059 tons in June. July's shipments also were higher than the 101,102 tons shipped in the like month a year ago.

Stocks of metal held by domestic producers at the end of July climbed to a towering 191,515 tons, up from 185,549 tons at the end of June. At the end of July a year ago the domestic stocks amounted to only 87,944 tons.

The following table gives domestic and foreign copper shipments, mine production, and stocks of the metal for July and June, 1957, and for July, 1956, in tons of 2,000 pounds:

	Domestic	Foreign	1957	1956	1955
July	1957	June, 1957	July, 1956	June, 1956	July, 1955
Production—total	82,337	104,683	95,174	104,683	95,174
From Mines	82,337	104,683	95,174	104,683	95,174
From Scrap	6,331	8,792	10,387	10,387	10,387
Shipments	84,702	101,993	97,698	101,993	97,698
Refined Production	127,434	124,270	125,401	124,270	125,401
Stocks on Hand	181,515	185,549	87,944	87,944	87,944
Foreign					
Production—total	128,795	127,235	148,182	148,182	148,182
From Mines	128,795	127,235	148,182	148,182	148,182
From Scrap	1,917	879	787	787	787
Shipments	119,215	118,059	181,192	181,192	181,192
Refined Production	111,743	117,311	155,323	155,323	155,323
Stocks on Hand	238,715	234,743	215,581	215,581	215,581

Interest Exempt From All Present Federal Income Taxes

\$2,800,000 City of Tulsa, Oklahoma 4%, 3¾% and 3.80% Various Purpose Bonds

Dated October 1, 1957 Due \$140,000 each October 1, 1960-1979
Principal and semi-annual interest (April 1 and October 1) payable in Tulsa, Oklahoma or New York, New York. First coupon due April 1, 1959. Coupon bonds in \$1,000 denominations, registrable as to principal. These bonds will constitute, in the opinion of counsel, direct and general obligations of the City of Tulsa, Oklahoma, and will be payable as to principal and interest from ad valorem taxes to be levied against all the taxable property located therein, without limitation as to rate or amount.

Coupon	Maturity	Yield	Coupon	Maturity	Yield or Price	Coupon	Maturity	Yield or Price
4%	1960	3.00%	4%	1967	3.55%	3¾%	1973	100
4	1961	3.10	4	1968	3.60	3.80	1974	100
4	1962	3.20	4	1969	3.65	3.80	1975	100
4	1963	3.30	3¾	1970	3.70	3.80	1976	100
4	1964	3.40	3¾	1971	3.70	3.80	1977	3.85
4	1965	3.45	3¾	1972	100	3.80	1978	3.85
4	1966	3.50				3.80	1979	3.85

(Accrued Interest to be Added)
These bonds are offered when, as and if issued and received by us and subject to the approving opinion of Messrs. Chapman and Cutler, Attorneys, of Chicago, Illinois.

The Chase Manhattan Bank
National Bank of Tulsa
August 15, 1957
The Northern Trust Company
City National Bank & Trust Co.
Kansas City, Mo.
Harris Trust and Savings Bank
A. G. Becker & Co.
Incorporated
The Small-Milburn Company
Incorporated
R. J. Edwards, Inc.



NEW ISSUE \$1,850,000 Town of Vernon, Connecticut 4.20% School Bonds

Dated August 1, 1957 Due Serially August 1, 1958 to 1977, incl.
Principal and semi-annual interest in first February 1 and August 1, payable at the Connecticut Bank and Trust Company, Hartford, Connecticut. Coupon bonds in denomination of \$1,000, registrable as to principal and interest.

Legal investment, in our opinion, for Savings Banks and Trust Funds in Connecticut and certain other states.
These bonds, issued for school purposes, are offered subject to the opinion of counsel that they will be direct general obligations of the entire Town of Vernon and that all taxable property within the Town is subject to the levy of ad valorem taxes without legal limit, sufficient to pay principal of these bonds and the interest thereon when due.

Amounts, Maturities and Yields	Amount	Due	Yield
	\$95,000	1958	2.75%
	95,000	1959	3.00
	95,000	1960	3.15
	95,000	1961	3.30
	95,000	1962	3.40
	95,000	1963	3.50
	95,000	1964	3.60
	95,000	1965	3.70
	95,000	1966	3.80
	95,000	1967	3.90
	90,000	1968	4.00
	90,000	1969	4.00
	90,000	1970	4.05
	90,000	1971	4.05
	90,000	1972	4.10
	90,000	1973	4.10
	90,000	1974	4.10
	90,000	1975	4.15
	90,000	1976	4.15
	90,000	1977	4.15

(Accrued interest to be added)
These bonds are offered when, as and if issued and received by us and subject to the approval of legality by Messrs. Day, Berry & Howard of Hartford, Connecticut.

Harris Trust and Savings Bank
Estabrook & Co.
Rand & Co.
August 15, 1957
The First Boston Corporation
Putnam & Co.
Laird, Bissell & Meeds
R. D. White & Company

Protect Your Travel Funds With
NCB TRAVELERS CHECKS
Spendable everywhere Backed by THE FIRST NATIONAL CITY BANK of NEW YORK
Member Federal Deposit Insurance Corporation

TC TENNESSEE CORPORATION
July 10, 1957
A dividend of fifty-five (55) cents per share was declared payable September 25, 1957, to stockholders of record at the close of business September 11, 1957.
JOHN G. CARRINGTON, Treasurer.
61 Broadway New York 6, N. Y.

PEPPERELL MANUFACTURING COMPANY
BOSTON, JULY 10, 1957
DIVIDEND NOTICE
A regular quarterly dividend of Twenty-five Cents (25¢) and a year-end bonus dividend of One Dollar (\$1.00) per share have been declared payable August 15, 1957, to stockholders of record at the close of business August 8, 1957.
Checks will be mailed by the Old Colony Trust Company of Boston, Dividend Disbursing Agent.
FREDERICK D. STONE, Secretary

NOTICE TO HOLDERS OF THE LEHIGH COAL AND NAVIGATION COMPANY SINKING FUND MORTGAGE BONDS 5¼% SERIES "A"
Under the provisions of the Mortgage dated October 1, 1945, securing said bonds, said bonds will be received until 3 o'clock P. M., E.D.S.T. August 12, 1957, at the office of the undersigned Trustee, for the sale to it at the lowest price not exceeding 101½% and accrued interest, of as many bonds as can be purchased out of the sum of \$100,000 available in the Sinking Fund. All proposals should be addressed to the undersigned and should contain numbers of bonds tendered.
THE FIRST PENNSYLVANIA BANKING AND TRUST COMPANY, Trustee,
S. E. Cor. 15th and Chestnut Streets, Philadelphia 1, Penna.

LUDLOW MANUFACTURING & SALES CO.
dividend of sixty-five cents (65¢) per share has been declared payable September 15, 1957, to stockholders of record August 30, 1957.
J. C. MARONEY, Treasurer

Thursday, August 15, 1957

ADVERTISEMENT

WHICH
MUTUAL FUNDS
PERFORM BEST?All 201 are newly analyzed and rated in
FORBES Annual Mutual Fund Round-up

Which Funds are really doing a job of investment management for the fees they pocket? Which do little more than collect the dividend checks for their shareholders? Could investors do a better job themselves without the professional management the Funds all tout? FORBES researchers spent weeks to dig out the facts on every one of the established, publicly-held U.S. Mutual Funds. To every one they applied a stiff 3-point test of managerial skill.

New FORBES lays the findings squarely on the line—from your standpoint as an investor, not from the Fund salesman's. FORBES report shows clearly how each Fund has fared in the tricky market of '56-'57. In the 75 months the market shot straight up... tells what each Fund has paid in dividends in the past 15 months.

Plenty of changes have taken place since FORBES last sell-out issue on Mutual Funds a year ago. The new ratings help you determine which Funds give you the most for your investment money today... which mesh best with your present investment aims. FORBES 1957 RATINGS OF MUTUAL FUNDS, in August 15 issue, soft-pedals nothing, meets a real need for ALL alert investors.

CAN BRUNSWICK-BALKE
KEEP CHALKING UP STRIKES
IN EVERY FRAME?

Brunswick-Balke-Collider is rolling strikes in two alleys—bowling and school equipment. For the June quarter, BBC's sales are up a whopping 157.2% to \$26.3 million. Caught flat-footed when AMF brought out the first robot pinboy in 1953, BBC has made an amazing comeback with its own machine. How does BBC plan to continue chalking up sales in this market? How did they manage to crowd the two leaders in the school equipment field? And what kind of footwork and body-english do they hope will put them ahead? Get the frame-by-frame account in FORBES August 15.

HOW GREEN ARE
NATIONAL CASH REGISTER'S
FOREIGN SALES?

What fascinating—and widely overlooked economic ledger—has given National Cash Register's President Allen, the wunderkind? Why is a dollar spent abroad worth two dollars spent at home? What's the amazing truth about NCR's net profits on foreign earnings? How much more in foreign sales is prey Allen shooting for? How good are his chances? Good enough to keep investors happily paying 25 times earnings for his company's stock? Get the "Greener Pastures," FORBES August 15.

HOW GREAT ARE YOUNGSTOWN'S
"HIDDEN" EARNINGS?

Appearances may often be deceiving. Expanding faster in the last five years than its chief competitors, Youngstown's profit margins have seemingly lagged. But have they? What hidden factor have investors been missing? By what sound business yardstick has Youngstown actually outperformed its rivals? Why is a distinct upswing in Youngstown's reported profits shaping up for 1958? What shrewd management policies brought all this about? And what new elements could wipe the advantages out? See "Undercover Profits," FORBES August 15.

More Inside Stories

Publisher Malcolm S. Forbes sheds light on how much of stockholders' money management dare contribute to worthy public causes. How has the publisher of this magazine, who has been a member of the New York Stock Exchange since 1921, managed to keep his own company's stock from falling into the hands of speculators? How has he managed to keep his own company's stock from falling into the hands of speculators? How has he managed to keep his own company's stock from falling into the hands of speculators?

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Mail this ad to Dept. 447, FORBES, 70 Park Ave., New York 17, N.Y., for a whole year of FORBES starting with current issue featuring 1957 Ratings of 201 Mutual Funds. The \$5.00 price is good only if you decide FORBES is not for you, return our bill within 10 days, marked "discontinue" and owe nothing! Should you prefer, send \$6 per year, thus saving on billing costs, we will include 2 Extra Issues FREE under 10-day refund privilege.

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Commodities
Price Trends of Tomorrow's
Meals and ManufacturesWorld Sugar Futures Rise on Short Covering;
Farm Surplus Bill Signing Advances Cotton

World sugar futures gained as much as 16 points as a late market reaction on Tuesday attracted aggressive trade and commission house short covering yesterday. The world raw market was again dull with the official spot price reduced 5 points to 2.80 cents a pound f.o.b. Cuba. The domestic sugar market was quiet and unchanged.

European and dealer buying boosted cocoa futures 12 to 24 points at New York with some deliveries trading at new highs for the season. Brazil continued to obtain its minimum asking price for cocoa beans in export markets.

Cotton futures closed 25 cents to 60 cents a bale higher influenced by mixed weather reports from the cotton belt and on buying induced by signing of the bill by President Eisenhower expanding the sale of United States surplus farm goods abroad for foreign currencies.

Other firm markets included rubber, copper and zinc futures with short covering attracted to these markets following recent price declines. Grain futures failed to hold early steadiness as profit-taking and hedging increased during late dealings. Wheat futures at Chicago closed 1/4 to 1 cent a bushel lower. Losses in corn ranged to 1 1/2 cents, rye 1 1/2 cents and soybeans 1 1/2 cents a bushel.

Early in the session there was buying of wheat futures based on news that the United States and Poland had completed action on an agreement under the disposal bill whereby the United States will ship 400,000 metric tons of surplus wheat to Poland for Polish currency.

Government offerings of surplus corn to domestic users and to exporters continued on a liberal scale and resulted in increased offerings in the futures market.

Favorable weather and crop news accounted for selling in soybeans. Wool futures sagged on hedging and selling influenced by weakness at London and slow conditions in the wool goods market here.

Higher
Sugar—World contract up 10 to 16 points. Domestic contract was unchanged.

Cocoa—Up 12 to 24 points at New York. Cotton—Up 5 to 12 points at New York. New Orleans was up 4 to 8 points.

Rubber—Unchanged to up 10 points at New York. London was up 29 points with Singapore unchanged to up 4 points.

Copper—Up 10 to 20 points at New York. Zinc—Up 4 to 5 points at New York.

Irregular
Lard—Off 2 to up 8 points at Chicago. Oats—Off 1/4 to up 1/2 cent a bushel at Chicago. Minneapolis was unchanged to up 1/2 cent with Winnipeg unchanged to off 1/2 cent.

Coffee—Off 5 to up 35 points at New York. Eggs—Off 5 to up 25 points at Chicago.

Lower
Wheat—Off 1/4 to 1 cent a bushel at Chicago. Minneapolis was unchanged to up 1/2 cent with Kansas City off 1/4 to up 1/2 cent.

Corn—Off 1/4 to 1 1/2 cents a bushel at Chicago.

Futures Prices

CHICAGO—WHEAT				
Contract	Open	High	Low	Close
Sept.	217 1/2	217 1/2	217 1/2	217 1/2
Oct.	217 1/2	217 1/2	217 1/2	217 1/2
Nov.	217 1/2	217 1/2	217 1/2	217 1/2
Dec.	217 1/2	217 1/2	217 1/2	217 1/2
Jan.	217 1/2	217 1/2	217 1/2	217 1/2
Feb.	217 1/2	217 1/2	217 1/2	217 1/2
Mar.	217 1/2	217 1/2	217 1/2	217 1/2
Apr.	217 1/2	217 1/2	217 1/2	217 1/2
May	217 1/2	217 1/2	217 1/2	217 1/2
June	217 1/2	217 1/2	217 1/2	217 1/2
July	217 1/2	217 1/2	217 1/2	217 1/2
Aug.	217 1/2	217 1/2	217 1/2	217 1/2

CHICAGO—CORN				
Contract	Open	High	Low	Close
Sept.	127 1/2	127 1/2	127 1/2	127 1/2
Oct.	127 1/2	127 1/2	127 1/2	127 1/2
Nov.	127 1/2	127 1/2	127 1/2	127 1/2
Dec.	127 1/2	127 1/2	127 1/2	127 1/2
Jan.	127 1/2	127 1/2	127 1/2	127 1/2
Feb.	127 1/2	127 1/2	127 1/2	127 1/2
Mar.	127 1/2	127 1/2	127 1/2	127 1/2
Apr.	127 1/2	127 1/2	127 1/2	127 1/2
May	127 1/2	127 1/2	127 1/2	127 1/2
June	127 1/2	127 1/2	127 1/2	127 1/2
July	127 1/2	127 1/2	127 1/2	127 1/2
Aug.	127 1/2	127 1/2	127 1/2	127 1/2

CHICAGO—SOYBEANS				
Contract	Open	High	Low	Close
Sept.	247 1/2	247 1/2	247 1/2	247 1/2
Oct.	247 1/2	247 1/2	247 1/2	247 1/2
Nov.	247 1/2	247 1/2	247 1/2	247 1/2
Dec.	247 1/2	247 1/2	247 1/2	247 1/2
Jan.	247 1/2	247 1/2	247 1/2	247 1/2
Feb.	247 1/2	247 1/2	247 1/2	247 1/2
Mar.	247 1/2	247 1/2	247 1/2	247 1/2
Apr.	247 1/2	247 1/2	247 1/2	247 1/2
May	247 1/2	247 1/2	247 1/2	247 1/2
June	247 1/2	247 1/2	247 1/2	247 1/2
July	247 1/2	247 1/2	247 1/2	247 1/2
Aug.	247 1/2	247 1/2	247 1/2	247 1/2

CHICAGO—RUBBER				
Contract	Open	High	Low	Close
Sept.	13 1/2	13 1/2	13 1/2	13 1/2
Oct.	13 1/2	13 1/2	13 1/2	13 1/2
Nov.	13 1/2	13 1/2	13 1/2	13 1/2
Dec.	13 1/2	13 1/2	13 1/2	13 1/2
Jan.	13 1/2	13 1/2	13 1/2	13 1/2
Feb.	13 1/2	13 1/2	13 1/2	13 1/2
Mar.	13 1/2	13 1/2	13 1/2	13 1/2
Apr.	13 1/2	13 1/2	13 1/2	13 1/2
May	13 1/2	13 1/2	13 1/2	13 1/2
June	13 1/2	13 1/2	13 1/2	13 1/2
July	13 1/2	13 1/2	13 1/2	13 1/2
Aug.	13 1/2	13 1/2	13 1/2	13 1/2

CHICAGO—CRUDE OIL				
Contract	Open	High	Low	Close
Sept.	11 1/2	11 1/2	11 1/2	11 1/2
Oct.	11 1/2	11 1/2	11 1/2	11 1/2
Nov.	11 1/2	11 1/2	11 1/2	11 1/2
Dec.	11 1/2	11 1/2	11 1/2	11 1/2
Jan.	11 1/2	11 1/2	11 1/2	11 1/2
Feb.	11 1/2	11 1/2	11 1/2	11 1/2
Mar.	11 1/2	11 1/2	11 1/2	11 1/2
Apr.	11 1/2	11 1/2	11 1/2	11 1/2
May	11 1/2	11 1/2	11 1/2	11 1/2
June	11 1/2	11 1/2	11 1/2	11 1/2
July	11 1/2	11 1/2	11 1/2	11 1/2
Aug.	11 1/2	11 1/2	11 1/2	11 1/2

CHICAGO—COTTON				
Contract	Open	High	Low	Close
Sept.	33 1/2	33 1/2	33 1/2	33 1/2
Oct.	33 1/2	33 1/2	33 1/2	33 1/2
Nov.	33 1/2	33 1/2	33 1/2	33 1/2
Dec.	33 1/2	33 1/2	33 1/2	33 1/2
Jan.	33 1/2	33 1/2	33 1/2	33 1/2
Feb.	33 1/2	33 1/2	33 1/2	33 1/2
Mar.	33 1/2	33 1/2	33 1/2	33 1/2
Apr.	33 1/2	33 1/2	33 1/2	33 1/2
May	33 1/2	33 1/2	33 1/2	33 1/2
June	33 1/2	33 1/2	33 1/2	33 1/2
July	33 1/2	33 1/2	33 1/2	33 1/2
Aug.	33 1/2	33 1/2	33 1/2	33 1/2

Commodity Indexes

Dow Jones Futures, Wednesday—159.40, up 0.05; last year 160.84.
Dow Jones Spot—162.76, up 0.11; last year 164.27.

Date	Open	High	Low	Close	Change
Aug. 14	159.35	159.40	159.30	159.35	-.05
Aug. 15	159.35	159.40	159.30	159.35	-.05

Rye—Off 1/4 to 1 1/2 cents a bushel at Chicago. Winnipeg was off 1/2 to 1 cent.
Soybeans—Off 1/4 to 1 1/2 cents a bushel at Chicago.
Soybean Oil—Unchanged to off 4 points at Chicago. New York was off 6 points.
Cottonseed Oil—Off 4 to 9 points at New York.
Flaxseed—Off 3 1/2 to 4 1/2 cents a bushel at Winnipeg. Minneapolis was unchanged to off 1 cent.
Wool—Off 1 to 10 points at New York.
Hides—Off 5 to 10 points at New York.
Potatoes—Off 1 to 3 cents per one hundred pounds at New York.
Onions—Off 4 to 5 cents per 50 pounds at Chicago.

COTTON FUTURES GAINED 25 to 60 cents a bale in slow mixed dealings. Less optimistic views on the cotton crop outlook in some quarters and signing of the bill by President Eisenhower expanding sale of United States farm surpluses abroad brought early buying into futures, with gains around mid-day extending to \$1.00 a bale. Part of the advance was later lost as profit-taking and hedging met only scaled trade buying and short covering. Final levels were 25 to 60 cents a bale higher. Traders expected the new farm surplus measure, permitting sales for foreign currencies, to stimulate cotton export business here. One immediate effect yesterday was the signing of the second half of a U. S.-Poland aid agreement under which it was estimated Poland will buy better than 100,000 bales of cotton here, among other commodities. Hedge selling in futures yesterday was confined largely to nearby October, December and March. Liverpool interest was credited with selling the distant new crop months in a small way. U. S. cotton exports have continued to lag so far this season, according to figures of the New York Cotton Exchange Service. Shipments for the period August 1-10 were placed at \$2,053 bales, compared with 146,788 bales shipped in the like period a year earlier.

MOSTLY LOWER GRAIN FUTURES were recorded at the close. Early in the session prices were steady on buying which followed signing of the bill by President Eisenhower aimed at expanding sales of surplus farm goods for foreign currencies. Small price advances encountered increased profit-taking and hedge selling. The United States and Poland yesterday completed action on a \$95,000,000 American Aid Program. It calls for loans and sales of surplus United States farm products for Polish currency, which is

to be spent by the United States in Poland. Under the agreement Poland will buy \$46,100,000 worth of surplus United States wheat and cotton, approximately 400,000 metric tons of wheat and 24,000 metric tons of cotton. The agreement also covers 50% of the cost of ocean transportation. Flour mills and exporters were buyers of wheat futures during the session. Exporters covered sales of 410,000 bushels of hard wheat for shipment to Western Germany during October-November. Flour mill buying appeared to be covering against previous sales of flour to domestic bakers. It was reported in the trade that the Government in the near future will be in the market for 1,000,000 sacks of flour for shipment by September 30 for domestic and foreign relief distribution. Holland purchased limited amounts of hard wheat flour. Selling of corn futures and new crop soybean contracts was again influenced by favorable weather and crop news. Reports in the trade indicated that the Government may soon offer to the trade around 500,000 bushels of surplus soybeans now located in Iowa and Illinois. The Commodity Credit Corp. sold 144,000 bushels of corn to exporters at \$1.34 1/2 a bushel on track at New Orleans and 12,000 bushels at \$1.47 1/2 a bushel on track at Laredo, Texas. The C.C.C. also sold 404,000 bushels of grain sorghums at 1.92 1/2 per cwt. at Gulf ports but rejected exporter bids for oats and barley. Japan was scheduled to buy 675,000 bushels of soybeans but postponed the purchase until August 23.

Cash Prices

Wednesday, August 14, 1957

FLOURS				
Contract	Open	High	Low	Close
Sept.	4.88	4.88	4.88	4.88
Oct.	4.88	4.88	4.88	4.88
Nov.	4.88	4.88	4.88	4.88
Dec.	4.88	4.88	4.88	4.88
Jan.	4.88	4.88	4.88	4.88
Feb.	4.88	4.88	4.88	4.88
Mar.	4.88	4.88	4.88	4.88
Apr.	4.88	4.88	4.88	4.88
May	4.88	4.88	4.88	4.88
June	4.88	4.88	4.88	4.88
July	4.88	4.88	4.88	4.88
Aug.	4.88	4.88	4.88	4.88

NEW ORLEANS—COTTON				
Contract	Open	High	Low	Close
Sept.	33 1/2	33 1/2	33 1/2	33 1/2
Oct.	33 1/2	33 1/2	33 1/2	33 1/2
Nov.	33 1/2	33 1/2	33 1/2	33 1/2
Dec.	33 1/2	33 1/2	33 1/2	33 1/2
Jan.	33 1/2	33 1/2	33 1/2	33 1/2
Feb.	33 1/2	33 1/2	33 1/2	33 1/2
Mar.	33 1/2	33 1/2	33 1/2	33 1/2
Apr.	33 1/2	33 1/2	33 1/2	33 1/2
May	33 1/2	33 1/2	33 1/2	33 1/2
June	33 1/2	33 1/2	33 1/2	33 1/2
July	33 1/2	33 1/2	33 1/2	33 1/2
Aug.	33 1/2	33 1/2	33 1/2	33 1/2

NEW ORLEANS—COCOA				
Contract	Open	High	Low	Close
Sept.	30 1/2	30 1/2	30 1/2	30 1/2
Oct.	30 1/2	30 1/2	30 1/2	30 1/2
Nov.	30 1/2	30 1/2	30 1/2	30 1/2
Dec.	30 1/2	30 1/2	30 1/2	30 1/2
Jan.	30 1/2	30 1/2	30 1/2	30 1/2
Feb.	30 1/2	30 1/2	30 1/2	30 1/2
Mar.	30 1/2	30 1/2	30 1/2	30 1/2
Apr.	30 1/2	30 1/2	30 1/2	30 1/2
May	30 1/2	30 1/2	30 1/2	30 1/2
June	30 1/2	30 1/2	30 1/2	30 1/2
July	30 1/2	30 1/2	30 1/2	30 1/2
Aug.	30 1/2	30 1/2	30 1/2	30 1/2

NEW ORLEANS—RUBBER				
Contract	Open	High	Low	Close
Sept.	13 1/2	13 1/2	13 1/2	13 1/2
Oct.	13 1/2	13 1/2	13 1/2	13 1/2
Nov.	13 1/2	13 1/2	13 1/2	13 1/2
Dec.	13 1/2	13 1/2	13 1/2	13 1/2
Jan.	13 1/2	13 1/2	13 1/2	13 1/2
Feb.	13 1/2	13 1/2	13 1/2	13 1/2
Mar.	13 1/2	13 1/2	13 1/2	13 1/2
Apr.	13 1/2	13 1/2	13 1/2	13 1/2
May	13 1/2	13 1/2	13 1/2	13 1/2
June	13 1/2	13 1/2	13 1/2	13 1/2
July				

CANADIAN STOCKS-BONDS

Ten Canadian Oil Stocks with Capital Gains Potential

Information on Request

CHARLES KING & CO.

Members
Toronto Stock Exch. American Stock Exch.
Montreal Stock Exch. Canadian Stock Exch.

61 Broadway Tel. WHitehall 4-8974 New York 6
Direct Private Wires Toronto-Montreal

Canadian Securities

Gairdner & Company Inc.

60 Wall Street, New York 5, N. Y.

Brain Boom: Clever Computers Tackle More Varied Chores

Expanded to 260,000 square feet and the firm has just bought 180 acres of land for still more expansion.

ElectroData now is producing at the record rate of one Datatrac computer every five days but its order backlog is so big that average delivery time still is 10 months.

I.B.M. and Remington Rand, the other two of the "big three" computer makers, decline to be so specific but they too are expanding. Remington is beginning computer production at a new plant in Utica, N. Y., which "represents additional plant capacity," an official says.

A number of other companies recently have entered or shortly will jump into the computer market. These include Minneapolis-Honeywell Regulator Co., Radio Corp. of America, National Cash Register Co., Philco Corp. and Remington Rand. General Electric reportedly is eyeing the computer field too.

Broadening the Market

Obviously, not every company can use a giant computer so a number of manufacturers are considering smaller units that would help broaden the market. The only very small computer now available, a Burroughs machine, sells for around \$40,000 or rents for about \$1,000 a month. Industry sources say I.B.M. plans to unveil a small model in the near future, but the company won't reveal any details.

Though much publicity has been given computers' ability to work wondrously complicated problems, the machines' appeal to businessmen often centers more on their equal ability to handle rather routine chores with extreme speed. In master-minding a payroll, for example, a computer's calculations may show a man has worked more than 40 hours in one week. In that case it will begin computing the worker's overtime pay rate without any further human instruction. This is nothing a clerk or a battery of clerks couldn't do; the computer's advantage lies in swiftly handling massive statistical jobs that would take even a regiment of clerks many days.

Some companies, of course, are getting information that they didn't try to obtain in the past because the manpower required would have made such jobs economically, or sometimes physically, infeasible.

Inland Steel had a typical experience along this line when its research department wanted to set up some differential equations involving the behavior of materials. Some 3,600 solutions were required, a task that, if done manually, would have required 20 minutes for each solution or 50 full days for the entire job. The computer did the whole works in eight hours.

The computer costs about \$80,000 a year, but has reduced the cost of renting older tabulating machines by about \$40,000. An additional saving of about \$20,000 has resulted from elimination of some salaries. But "the big payoff will come in inventory," says Mr. Beyer.

The Worries Grow

Installing a computer isn't as simple as buying an industrial machine and plugging it in. Great Lakes Pipe Line Co., for example, spent \$4 years and \$140,000 on research before installing what it describes as an "automatic computer scheduling system for pipe line operations."

In scheduling shipments via a complex pipe line system, "the worries have grown by geometric progression," says D. L. Fayman, a physicist who's now Great Lakes' superintendent of computer research. Most of the new worries, he explains, stem from the fact that the number of different products carried by the pipes has quadrupled in the past 20 years.

Most of the time there are 100 to 200 separate shipments flowing through Great Lakes' pipes at once. These shipments, some of them in the line as long as 20 days, go in and out at some 60 different places. All this means that schedulers using only manual methods "and a great deal of intuition" could schedule only a few days ahead, Mr. Fayman explains. Nor would increasing the number of schedulers have helped because it would have become practically impossible to integrate the work—and the thinking—of more persons.

But the company decided a computer would help. It will improve service, says Mr. Fayman, by making it easier to ship products at times customers desire.

Problems and Possibilities

A number of companies are starting to use electronic computers in the rarefied field of operations research. This area is about as complex as the computers themselves, but many experts believe it offers the greatest possibilities for computer utilization in industry.

Commonwealth Edison Co., Chicago, is using a computer in operations research to program optimum purchase of coal. The computer evaluates the quality, source, transportation costs and price of available coal to determine what quantities and kind should be purchased and to what power stations it should be delivered. Commonwealth won't say how much coal has been cut but other sources figure the savings run well into five figures yearly.

Many more companies are harnessing computers to the somewhat more routine bread-and-butter jobs.

Sears Roebuck, in addition to figuring its payroll electronically, is using a computer to get market and sales information previously unavailable because of the sheer volume of calculations required. Among other things, Sears is comparing inventory performance of

Toronto (Canadian Funds)

Stocks	High	Low	Close	Chg
1125 Algon	19.00	18.75	18.80	-
2125 Algon	21.00	20.75	20.80	-
3125 Algon	23.00	22.75	22.80	-
4125 Algon	25.00	24.75	24.80	-
5125 Algon	27.00	26.75	26.80	-
6125 Algon	29.00	28.75	28.80	-
7125 Algon	31.00	30.75	30.80	-
8125 Algon	33.00	32.75	32.80	-
9125 Algon	35.00	34.75	34.80	-
10125 Algon	37.00	36.75	36.80	-
11125 Algon	39.00	38.75	38.80	-
12125 Algon	41.00	40.75	40.80	-
13125 Algon	43.00	42.75	42.80	-
14125 Algon	45.00	44.75	44.80	-
15125 Algon	47.00	46.75	46.80	-
16125 Algon	49.00	48.75	48.80	-
17125 Algon	51.00	50.75	50.80	-
18125 Algon	53.00	52.75	52.80	-
19125 Algon	55.00	54.75	54.80	-
20125 Algon	57.00	56.75	56.80	-
21125 Algon	59.00	58.75	58.80	-
22125 Algon	61.00	60.75	60.80	-
23125 Algon	63.00	62.75	62.80	-
24125 Algon	65.00	64.75	64.80	-
25125 Algon	67.00	66.75	66.80	-
26125 Algon	69.00	68.75	68.80	-
27125 Algon	71.00	70.75	70.80	-
28125 Algon	73.00	72.75	72.80	-
29125 Algon	75.00	74.75	74.80	-
30125 Algon	77.00	76.75	76.80	-
31125 Algon	79.00	78.75	78.80	-
32125 Algon	81.00	80.75	80.80	-
33125 Algon	83.00	82.75	82.80	-
34125 Algon	85.00	84.75	84.80	-
35125 Algon	87.00	86.75	86.80	-
36125 Algon	89.00	88.75	88.80	-
37125 Algon	91.00	90.75	90.80	-
38125 Algon	93.00	92.75	92.80	-
39125 Algon	95.00	94.75	94.80	-
40125 Algon	97.00	96.75	96.80	-
41125 Algon	99.00	98.75	98.80	-
42125 Algon	101.00	100.75	100.80	-
43125 Algon	103.00	102.75	102.80	-
44125 Algon	105.00	104.75	104.80	-
45125 Algon	107.00	106.75	106.80	-
46125 Algon	109.00	108.75	108.80	-
47125 Algon	111.00	110.75	110.80	-
48125 Algon	113.00	112.75	112.80	-
49125 Algon	115.00	114.75	114.80	-
50125 Algon	117.00	116.75	116.80	-
51125 Algon	119.00	118.75	118.80	-
52125 Algon	121.00	120.75	120.80	-
53125 Algon	123.00	122.75	122.80	-
54125 Algon	125.00	124.75	124.80	-
55125 Algon	127.00	126.75	126.80	-
56125 Algon	129.00	128.75	128.80	-
57125 Algon	131.00	130.75	130.80	-
58125 Algon	133.00	132.75	132.80	-
59125 Algon	135.00	134.75	134.80	-
60125 Algon	137.00	136.75	136.80	-
61125 Algon	139.00	138.75	138.80	-
62125 Algon	141.00	140.75	140.80	-
63125 Algon	143.00	142.75	142.80	-
64125 Algon	145.00	144.75	144.80	-
65125 Algon	147.00	146.75	146.80	-
66125 Algon	149.00	148.75	148.80	-
67125 Algon	151.00	150.75	150.80	-
68125 Algon	153.00	152.75	152.80	-
69125 Algon	155.00	154.75	154.80	-
70125 Algon	157.00	156.75	156.80	-
71125 Algon	159.00	158.75	158.80	-
72125 Algon	161.00	160.75	160.80	-
73125 Algon	163.00	162.75	162.80	-
74125 Algon	165.00	164.75	164.80	-
75125 Algon	167.00	166.75	166.80	-
76125 Algon	169.00	168.75	168.80	-
77125 Algon	171.00	170.75	170.80	-
78125 Algon	173.00	172.75	172.80	-
79125 Algon	175.00	174.75	174.80	-
80125 Algon	177.00	176.75	176.80	-
81125 Algon	179.00	178.75	178.80	-
82125 Algon	181.00	180.75	180.80	-
83125 Algon	183.00	182.75	182.80	-
84125 Algon	185.00	184.75	184.80	-
85125 Algon	187.00	186.75	186.80	-
86125 Algon	189.00	188.75	188.80	-
87125 Algon	191.00	190.75	190.80	-
88125 Algon	193.00	192.75	192.80	-
89125 Algon	195.00	194.75	194.80	-
90125 Algon	197.00	196.75	196.80	-
91125 Algon	199.00	198.75	198.80	-
92125 Algon	201.00	200.75	200.80	-
93125 Algon	203.00	202.75	202.80	-
94125 Algon	205.00	204.75	204.80	-
95125 Algon	207.00	206.75	206.80	-
96125 Algon	209.00	208.75	208.80	-
97125 Algon	211.00	210.75	210.80	-
98125 Algon	213.00	212.75	212.80	-
99125 Algon	215.00	214.75	214.80	-
100125 Algon	217.00	216.75	216.80	-

Markets in Other Cities

(Dually Listed Domestic Issues Excluded)

Wednesday, August 14, 1957

Stocks	High	Low	Close	Chg
1125 Algon	19.00	18.75	18.80	-
2125 Algon	21.00	20.75	20.80	-
3125 Algon	23.00	22.75	22.80	-
4125 Algon	25.00	24.75	24.80	-
5125 Algon	27.00	26.75	26.80	-
6125 Algon	29.00	28.75	28.80	-
7125 Algon	31.00	30.75	30.80	-
8125 Algon	33.00	32.75	32.80	-
9125 Algon	35.00	34.75	34.80	-
10125 Algon	37.00	36.75	36.80	-
11125 Algon	39.00	38.75	38.80	-
12125 Algon	41.00	40.75	40.80	-
13125 Algon	43.00	42.75	42.80	-
14125 Algon	45.00	44.75	44.80	-
15125 Algon	47.00	46.75	46.80	-
16125 Algon	49.00	48.75	48.80	-
17125 Algon	51.00	50.75	50.80	-
18125 Algon	53.00	52.75	52.80	-
19125 Algon	55.00	54.75	54.80	-
20125 Algon	57.00	56.75	56.80	-
21125 Algon	59.00	58.75	58.80	-
22125 Algon	61.00	60.75	60.80	-
23125 Algon	63.00	62.75	62.80	-
24125 Algon	65.00	64.75	64.80	-
25125 Algon	67.00	66.75	66.80	-
26125 Algon	69.00	68.75	68.80	-
27125 Algon	71.00	70.75	70.80	-
28125 Algon	73.00	72.75	72.80	-
29125 Algon	75.00	74.75	74.80	-
30125 Algon	77.00	76.75	76.80	-
31125 Algon	79.00	78.75	78.80	-
32125 Algon	81.00	80.75	80.80	-
33125 Algon	83.00	82.75	82.80	-
34125 Algon	85.00	84.75	84.80	-
35125 Algon	87.00	86.75	86.80	-
36125 Algon	89.00	88.75	88.80	-
37125 Algon	91.00	90.75	90.80	-
38125 Algon	93.00	92.75	92.80	-
39125 Algon	95.00	94.75	94.80	-
40125 Algon	97.00	96.75	96.80	-
41125 Algon	99.00	98.75	98.80	-
42125 Algon	101.00	100.75	100.80	-
43125 Algon	103.00	102.75	102.80	-
44125 Algon	105.00	104.75	104.80	-
45125 Algon	107.00	106.75	106.80	-
46125 Algon	109.00	108.75	108.80	-
47125 Algon	111.00	110.75	110.80	-
48125 Algon	113.00	112.75	112.80	-
49125 Algon	115.00	114.75	114.80	-
50125 Algon	117.00	116.75	116.80	-
51125 Algon	119.00	118.75	118.80	-
52125 Algon	121.00	120.75	120.80	-
53125 Algon	123.00	122.75	122.80	-
54125 Algon	125.00	124.75	124.80	-
55125 Algon	127.00	126.75	126.80	-
56125 Algon	129.00	128.75	128.80	-
57125 Algon	131.00	130.75	130.80	-
58125 Algon	133.00	132.75	132.80	-
59125 Algon	135.00	134.75	134.80	-
60125 Algon	137.00	136.75	136.80	-
61125 Algon	139.00	138.75	138.80	-
62125 Algon	141.00	140.75	140.80	-
63125 Algon	143.00	142.75	142.80	-
64125 Algon	145.00	144.75	144.80	-
65125 Algon	147.00	146.75	146.80	-
66125 Algon	149.00	148.75	148.80	-
67125 Algon	151.00	150.75	150.80	-
68125 Algon	153.00	152.75	152.80	-
69125 Algon	155.00	154.75	154.80	-
70125 Algon	157.00	156.75	156.80	-
71125 Algon	159.00	158.75	158.80	-
72125 Algon	161.00	160.75	160.80	-
73125 Algon	163.00	162.75	162.80	-
74125 Algon	165.00	164.75	164.80	-
75125 Algon	167.00	166.75	166.80	-
76125 Algon	169.00	168.75	168.80	-
77125 Algon	171.00	170.75	170.80	-
78125 Algon	173.00	172.75	172.80	-
79125 Algon	175.00	174.75	174.80	-
80125 Algon	177.00	176.75	176.80	-
81125 Algon	179.00	178.75	178.80	-
82125 Algon	181.00	180.75	180.80	-
83125 Algon	183.00	182.75	182.80	-
84125 Algon	185.00	184.75	184.80	-
85125 Algon	187.00	186.75	186.80	-
86125 Algon	189.00	188.75	188.80	-
87125 Algon	191.00	190.75	190.80	-
88125 Algon	193.00	192.75	192.80	-
89125 Algon	195.00	194.75	194.80	-
90125 Algon	197.00	196.75	196.80	-
91125 Algon	199.00	198.75	198.80	-
92125 Algon	201.00	200.75	200.80	-
93125 Algon	203.00	202.75	202.80	-
94125 Algon	205.00	204.75	204.80	-
95125 Algon	207.00	206.75	206.80	-
96125 Algon	209.00	208.75	208.80	-
97125 Algon	211.00	210.75	210.80	-
98125 Algon	213.00	212.75	212.80	-
99125 Algon	215.00	214.75	214.80	-
100125 Algon	217.00	216.75	216.80	-
101125 Algon	219.00	218.75	218.80	-
102125 Algon	221.00	220.75	220.80	-
103125 Algon	223.00	222.75	222.80	-
104125 Algon	225.00	224.75	224.80	-
105125 Algon	227.00	226.75	226.80	-
106125 Algon	229.00	228.75	228.80	-
107125 Algon	231.00	230.75	230.80	-
108125 Algon	233.00	232.75	232.80	-
109125 Algon	235.00	234.75	234.80	-
110125 Algon	237.00	236.75	236.80	-
111125 Algon	239.00	238.75	238.80	-
112125 Algon	241.00	240.75	240.80	-
113125 Algon	243.00	242.75	242.80	-
114125 Algon	245.00	244.75	244.80	-
115125 Algon	247.00	246.75	246.80	-
116125 Algon	249.00	248.75	248.80	-
117125 Algon	251.00	250.75	250.80	-
118125 Algon	253.00	252.75	252.80	-
119125 Algon	255.00	254.75	254.80	-
120125 Algon	257.00	256.75	256.80	-
121125 Algon	259.00	258.75	258.80	-
122125 Algon	261.00	260.75	260.80	-
123125 Algon	263.00	262.75	262.80	-
124125 Algon	265.00	264.75	264.80	-
125125 Algon	267.00	266.75	266.80	-
126125 Algon	269.00	268.75	268.80	-
127125 Algon	271.00	270.75	270.80	-
128125 Algon	273.00	272.75	272.80	-
129125 Algon	275.00	274.75	274.80	-
130125 Algon	277.00	276.75	276.80	-
131125 Algon	279.00	278.75	278.80	-
132125 Algon	281.00	280.75	280.80	-
133125 Algon	283.00	282.75	282.80	-
134125 Algon	285.00	284.75	284.80	-
135125 Algon	287.00	286.75	286.80	-
136125 Algon	289.00	288.75	288.80	-
137125 Algon	291.00	290.75	290.80	-
138125 Algon	293.00	292.75	292.80	-
139125 Algon	295.00	294.75	294.80	-
140125 Algon	297.00	296.75	296.80	-
141125 Algon	299.00	298.75	298.80	-
142125 Algon	301.00	300.75	300.80	-
143125 Algon	303.00	302.75	302.80	-
144125 Algon	305.00	304.75	304.80	-
145125 Algon	307.00	306.75	306.80	-
146125 Algon	309.00	308.75	308.80	-
147125 Algon	311.00	310.75	310.80	-
148125 Algon	313.00	312.75	312.80	-
149125 Algon	315.00	314.75	314.80	-
150125 Algon	317.00	316.75	316.80	-
151125 Algon	319.00	318.75	318.80	-
152125 Algon	321.00	320.75	320.80	-
153125 Algon	323.00	322.75	322.80	-
154125 Algon	325.00	324.75	324.80	-
155125 Algon	327.00	326.75	326.80	-
156125 Algon	329.00	328.75	328.80	-
157125 Algon	331.00	330.75	330.80	-
158125 Algon	333.00	332.75	332.80	-
159125 Algon	335.00	334.75	334.80	-
160125 Algon	337.00	336.75	336.80	-
161125 Algon	339.00	338.75	338.80	-
162125 Algon	341.00	340.75	340.80	-
163125 Algon	343.00	342.75	342.80	-
164125 Algon	345.00	344.75	344.80	-
165125 Algon	347.00	346.75	346.80	-
166125 Algon	349.00	348.75	348.80	-
167125 Algon	351.00	350.75	350.80	-
168125 Algon	353.00	352.75	352.80	-
169125 Algon	355.00	354.75	354.80	-
170125 Algon	357.00	356.75	356.80	-
171125 Algon	359.00	358.75	358.80	-
172125 Algon	361.00	360.75	360.80	-
173125 Algon	363.00	362.75	362.80	-
174125 Algon	365.00	364.75	364.80	-
175125 Algon	367.00	366.75	366.80	-
176125 Algon	369.00	368.75	368.80	-
177125 Algon	371.00	370.75	370.80	-
178125 Algon	373.00	372.75	372.80	-
179125 Algon	375.00	374.75	374.80	-
180125 Algon	377.00	376.75	376.80	-
181125 Algon	379.00	378.75	378.80	-
182125 Algon	381.00	380.75	380.80	-
183125 Algon	383.00	382.75	382.80	-
184125 Algon	385.00	384.75	384.80	-
185125 Algon	387.00	386.75	386.80	-
186125 Algon	389.00	388.75	388.80	-
187125 Algon	391.00	390.75	390.80	-
188125 Algon	393.00	392.75	392.80	-
189125 Algon	395.00	394.75	394.80	-
190125 Algon	397.00	396.75	396.80	-
191125 Algon	399.00	398.75	398.80	-
192125 Algon	401.00	400.75	400.80	-
193125 Algon	403.00	402.75	402.80	-
194125 Algon	405.00	404.75	404.80	-
195125 Algon	407.00	406.75	406.80	-
196125 Algon	409.00	408.75	408.80	-
197125 Algon	411.00	410.75	410.80	-
198125 Algon	413.00	412.75	412.80	-
199125 Algon	415.00	414.75	414.80	-
200125 Algon	417.00	416.75	416.80	-
201125 Algon	419.00	418.75	418.80	-
202125 Algon	421.00	420.75	420.80	-
203125 Algon	423.00	422.75	422.80	-
204125 Algon	425.00	424.75	424.80	-
205125 Algon	427.00	426.75	426.80	-
206125 Algon	429.00	428.75	428.80	-
207125 Algon	431.00	430.75	430.80	-
208125 Algon	433.00	432.75	432.80	-
209125 Algon	435.00	434.75	434.80	-
210125 Algon	437.00	436.75	436.80	-
211125 Algon	439.00	438.75	438.80	-
212125 Algon	441.00	440.75	440.80	-
213125 Algon	443.00	442.75	442.80	-
214125 Algon	445.00	444.75	444.80	-
215125 Algon	447.00	446.75	446.80	-
216125 Algon	449.00	448.75	448.80	-
217125 Algon	451.00	450.75	450.80	-
218125 Algon	453.00	452.75	452.80	-
219125 Algon	455.00	454.75	454.80	-
220125 Algon	457.00	456.75	456.80	-
221125 Algon	459.00	458.75	458.80	-
222125 Algon	461.00	460.75	460.80	-
223125 Algon	463.00	462.75	462.80	-
224125 Algon	465.00	464.75	464.80	-
225125 Algon	467.00	466.75	466.80	-
226125 Algon	469.00	468.75	468.80	-
227125 Algon	471.00	470.75	470.80	-
228125 Algon	473.00	472.75	472.80	-</

Many Manufacturers Seek Ways to Cushion Impact Of Freight Rate Hikes by Rails and Maybe Trucks

Some Plan Own Transport as Answer; Higher 1958 Auto Prices Are Possibility

A WALL STREET JOURNAL NEWS ROUNDUP

A lot of manufacturers, somewhat grimly it appears, are casting about for a way to ease the impact of higher freight rates the railroads will start charging a week from Monday.

And with their competitors' charges going up, the truck lines are thinking about increases, too.

The upshot may be that more factory operators will be going into the transportation business themselves, or getting into it more deeply than they are now.

Wall Street Journal reporters queried shippers, large and small, in more than a dozen cities across the nation and naturally found them unhappy about a rise in transportation costs. They asked the concerns what the rail rate rise means to them, and heard many companies aren't yet sure what the dollar-and-cent impact will be.

They asked the companies what they're going to do about the increase in costs, and got a variety of answers. Manufacturers of items in toughly competitive fields figured they can't pass along much, if any, of the higher costs.

Some Expect Delayed Effect

Some concerns indicate the consumer price effects of the rail rate increase may be delayed until fall or next year.

An example is the auto industry, where an official said the higher rail rates probably will boost retail prices—but not while dealers are getting rid of the current models.

The move would probably come in the fall, this official said, when the 1958 cars, and new price schedules will be announced.

Other companies, which quote prices at the plant—plus the freight—said they'll just tack on the higher charges for shipment.

These companies, however, gave varying opinions on whether they would raise prices to reflect higher freight costs on materials coming into their plants. Some avoided mention of this facet entirely.

Slated to go into effect August 26 are freight rate increases granted by the Interstate Commerce Commission of 7% for Eastern and Western railroads and 4% for Southern roads. The Southern carriers, however, have filed a lengthy list of items on which they won't hike rates, reportedly because of competition with truck lines for the business involved.

The latest boosts come on top of increases last winter of 7% granted the Eastern roads and 5% for the Western and Southern rail carriers.

Many executives figured the higher rail rates would speed up what they reported is a growing switch of business to trucks. But others said they felt they were using trucks as much as they could already.

O. A. Sutton's Concern

Truck, not rail, rates in fact, were the object of the most concern by O. A. Sutton Corp., Inc., Wichita air conditioner manufac-

turer. Traffic Manager Donald A. Hopkins charged that "a motor freight rate increase follows a rail freight rate increase like night does day, even when it isn't justified."

There was evidence, too, that truck operators are considering moves to jack up their charges.

"Since the rail rates have come out, there's been a lot of talk about higher truck rates," said a representative in Chicago of Central States Motor Freight Bureau, Inc., which publishes tariffs for some 1,200 trucking outfits.

"Our standing rate committee is still sitting on a proposal for a 15% across-the-board increase," he added. This plan, filed in June, already has gone through hearings by the three-man committee, this spokesman said, but the group's decision hasn't come out yet.

The committee's report can be appealed to a 75-trucker board of the bureau, and even after that, a member company could ignore the new schedule if it chose.

7% Increase Predicted

The Middle Atlantic Rate Conference, representing about 1,500 trucking firms from Virginia to Maine, discussed rates at a meeting yesterday in Groton, Conn.

"There's no question about it," said H. E. Howell, conference president and also a vice president of Associated Transport, Inc., "our rates will be increased to rail level on full truckloads of commodities." Mr. Howell said the increase probably would be close to 7% and would be made in about 45 days.

The commodity rates originally were set to meet rail competition, Mr. Howell explained, thus will be raised accordingly. The increase would apply only to full loads of such items as paint, chemicals, steel, plastics and yarn, he noted, which comprise over 25% of the member companies' volume. This would not affect shipments of clothing, appliances and other finished goods, he said.

Truck rates are regulated differently from those of railroads, which generally must prove to the I.C.C. that current ceilings on charges are too low if they want to hike their tariffs. Motor carriers, on the other hand, file their new rate schedules with the Government agency 30 days before they are to go into effect.

Shippers can contest the new rates, and the I.C.C. then decides whether to block the changes for up to seven months while an inquiry is held.

Will Use Rail Now

Says O. A. Sutton's Mr. Hopkins: "We'll be using rail as much as possible from now on, since our products were recently put under a different title that, in effect, is a rate reduction. But the rail rate increase is going to cost us \$100,000 to \$150,000 a year more in shipping costs."

What do some of the corporate giants feel about the situation?

Robert A. Seidel, executive vice president for consumer products for Radio Corp. of America, said rail freight costs are but one of series of increases facing RCA. A review of prices "is now in process," he reported.

Westinghouse Electric Corp. calculated its freight bill will go up \$6 million a year, but how much of the rise will be passed on—or absorbed—will vary from product to product.

Aluminum Co. of America, which recently led off a hike of about 4% in aluminum prices, said it will absorb the rail rate increase. A spokesman hastily added, however: "We don't like it and we've got people in Washington protesting it." Aluminum companies had asserted the recent price rise didn't cover completely their past increases in labor and other costs; aluminum capacity is considered to have out-run demand in recent months.

Roger Blough, chairman of United States Steel Corp., has told a Senate price inquiry that the freight rate increase will mean 65 cents to 70 cents a ton added cost in production of steel.

Atlantic Steel's Policy

But Atlantic Steel Co., Atlanta, Ga., says in most cases it won't absorb the freight increase on outgoing shipments, "except where we have to remain competitive." R. E. O'Neill, general sales manager, explains the company's prices are "f.o.b. the mill." Atlantic Steel, however, will "just have to swallow" the hikes on raw material shipped into the plant to stay competitive in the current steel market, he added.

Steel production nationally has been running a bit below 80% of rated capacity.

Coleman Co., Wichita, is one concern that reported it had worked out ways to cut down the effects of the freight cost rise. Its answer: Heavier shipments of sheet steel by river barge to St. Louis or Kansas City, then by truck to Wichita; plus more branch warehouses so shipments can be made in carload lots, thus

reducing the shipping charge. The company thus hopes "to hold the price line."

Donald Allison, vice president of Dearborn Stove Co., Dallas, says that company may buy more rolling equipment of its own. One large trailer, bought in May, 1956, "has already paid for itself," he reported.

Operates Own Line

A hand-tool manufacturing company in Los Angeles noted it already operates a cross-country truck line to cushion increased rates on common carriers. This company, too, plans to widen its branch plant operations to cut shipping distances.

In some cases, the railroad rate increases just compound the troubles of an industry.

Pacific Northwest lumber companies, already throttled back due to the decline in home building, foresee more problems in competing with producers in the Southern pine belt. They note the latest rail freight boost on Western lines is 7%, while the Southern roads were allowed 4%—and then the Dixie lines told the I.C.C. that one of the things it won't affect is lumber.

Some 75% of Douglas fir lumber is shipped east across the Rockies.

Some Going Up Right Away

Here are some companies that said the rail rate rise will be tacked on to customers' bills immediately:

A sizable Lehigh Valley, Pa., cement producer termed the increase "just routine for us."

National Acme Co., large Cleveland machine tool builder, notes machine tools are generally moved f.o.b. the factory and shipping charges will go up automatically.

National Sugar Refining Co. said it is "revising" its billing rates August 26 to reflect the higher freight charges, except where "water competitive factors" enter in at Cincinnati and at Norfolk, Va.

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Advertising Revenue Gains and Losses for 1st 6 Months, 1957, vs. 1st 6 Months, 1956

ALL ADVERTISING CLASSIFICATIONS	FOOD and Food Products	AUTOMOTIVE Automotive Accessories and Equipment	DRUGS and Remedies
1. LOOK + \$4,274,828	1. LOOK + \$447,827	1. LOOK + \$ 262,284	1. LOOK + \$321,614
2. Life + \$ 640,560	2. Life + \$211,618	2. Life - \$ 280,438	2. Post + \$276,320
3. Post + \$ 412,272	3. Post - \$413,263	3. Post - \$1,092,664	3. Life - \$397,982
Source: P. I. B.	Source: P. I. B.	Source: P. I. B.	Source: P. I. B.
TOILETRIES and Toilet Goods	APPAREL Footwear and Accessories	HOUSEHOLD EQUIPMENT and Supplies	BUILDING MATERIALS Equipment and Fixtures
1. LOOK + \$507,639	1. LOOK + \$222,331	1. Post + \$ 980,764	1. LOOK + \$ 27,972
2. Post + \$ 56,655	2. Life + \$217,166	2. LOOK + \$ 159,893	2. Life + \$ 898
3. Life - \$129,960	3. Post - \$ 27,312	3. Life - \$1,771,912	3. Post - \$652,998
Source: P. I. B.	Source: P. I. B.	Source: P. I. B.	Source: P. I. B.
INDUSTRIAL MATERIALS	HOUSEHOLD FURNISHINGS	In the 1st 6 months, 1957—	
1. Post + \$613,922	1. LOOK + \$180,563		
2. Life + \$210,933	2. Post + \$131,824	• LOOK gained revenue in more P.I.B. classifications than any other magazine.	• LOOK led all major consumer magazines in total advertising page gains.
3. LOOK + \$158,461	3. Life - \$611,651	• LOOK led all magazines in total advertising revenue gains.	
Source: P. I. B.	Source: P. I. B.	<h1>LOOK</h1> <p>the exciting story of people</p>	

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MARKET SURVEYS

Merger Negotiations Between United Whelan, Sun Ray Drug Dropped

By a WALL STREET JOURNAL Staff Reporter

NEW YORK—Charles Green, chairman of United Whelan Corp., announced that negotiations for a merger of Whelan and Sun Ray Drug Co. have been broken off, and Whelan has "no intention of resuming them."

Mr. Green said the proposed merger had been dropped because of "divergent thoughts on operating policies" by the two drug chains. The combination might have been good "economically," he said, but the policy differences would have created too many operating difficulties.

Whelan and Sun Ray had been discussing a merger at least since May, when the Sun Ray board approved "in principle" a Whelan proposal. This reportedly would have involved exchange of approximately two Whelan shares for each Sun Ray share, though the exact details of the proposal were never disclosed officially.

Mr. Green explained that "policy differences" centered around Whelan's desire to pursue "a more cautious expansion policy." The chairman noted that Sun Ray has commitments on 50 new leases over the next two or three years, and we just couldn't see that. You've got to weigh your locations," Mr. Green said that "our own plans call for 10 new stores to be opened during the next 12 months."

If the merger had gone through, it would have created the country's third-biggest drug chain. Whelan and Sun Ray had combined sales volume of about \$87 million in 1956, and together have about 285 drug store outlets.